

AWARD

NASD REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant

Detlev E. Hasselmann

v.

Arbitration No.

98-00232

Name of Respondents

A.G. Edwards & Sons, Inc. and Mark E. Bernhard

REPRESENTATION

For Claimant:

G. Mark Brewer, Esq.
Brewer & Carlson, L.L.P.
La Jolla, California

For Respondent:

William S. Port, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed:

January 20, 1998

Claimant's Submission Agreement signed:

February 20, 1998

Joint Statement of Answer filed by
Respondents:

April 17, 1998

Respondent A.G. Edwards & Sons, Inc.'s
Submission Agreement signed:

April 15, 1998

Respondent Mark E. Bernhard's
Submission Agreement signed:

April 13, 1998

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions: September 9, 1998 (One Session)
October 29, 1998 (One Session)

Hearing Dates / Sessions: January 20, 1999 (Two Sessions)
January 21, 1999 (Two Sessions)

Hearing Location: San Diego, California

CASE SUMMARY

Claimant alleged that Respondents breached the fiduciary duty owed to Claimant, was negligent, suggested unsuitable investments, breached the implied Covenant of good faith and fair dealing, committed fraud, and engaged in churning.

Respondents denied the allegations of wrongdoing found in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant sought compensatory damages of approximately \$71,000.00, punitive damages, costs, and attorney's fees.

Respondents requested the dismissal of Claimant's Statement of Claim in its entirety and an award of Respondents costs and fees associated with the defense of this matter, including reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties agreed to receive conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents A.G. Edwards & Sons, Inc. and Mark E. Bernhard are jointly and severally liable to and shall pay Claimant the sum of \$29,600.00. This sum includes an award of interest.
- 2) Claimant's claims of fraud and churning are denied.
- 3) Claimant's request for punitive damages, attorneys fees, and costs are denied. Each party shall bear their respective costs, including attorney's fees.
- 4) All relief not expressly granted is denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Respondents, jointly and severally:

| | |
|---|--------------|
| One Full panel Pre-Hearing Conference Session | |
| @ \$500.00 / Session | = \$500.00 |
| One Discovery Pre-Hearing Conference Session | |
| @ \$300.00/Session | = \$300.00 |
| Four Hearing Sessions @ \$500.00 / Session | = \$2,000.00 |
| <hr/> | |
| Total Fees Assessed against Respondents A.G. Edwards & Sons, Inc. | |
| Mark E. Bernhard, jointly and severally | = \$2,800.00 |

Fees are payable to NASD Regulation, Inc.

OTHER FEES


Pursuant to Rule 10333 of the Code, Respondent A.G. Edwards & Sons, Inc. has paid to NASD Regulation, Inc. the \$ 1,000.00 member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code, Respondent A.G. Edwards & Sons, Inc. has paid to NASD Regulation, Inc. the \$2,100.00 member process fees previously invoiced.

ARBITRATORS

| <u>Name</u> | <u>Public / Industry</u> |
|--------------------------|--------------------------|
| William R. Newsome, Esq. | Public Arbitrator |
| Charles A. Pease | Industry Arbitrator |
| Deanna J. Johnson | Public Arbitrator |

Concurring Arbitrators' Signatures


William R. Newsome, Esq.

Charles A. Pease

Deanna J. Johnson

Date of Service: _____

ARBITRATORS

Name

William R. Newsome, Esq.
Charles A. Pease
Deanna J. Johnson

Public / Industry
Public Arbitrator
Industry Arbitrator
Public Arbitrator

Consenting Arbitrator Signatures

William R. Newsome, Esq.



Charles A. Pease

Deanna J. Johnson

Date of Service: _____

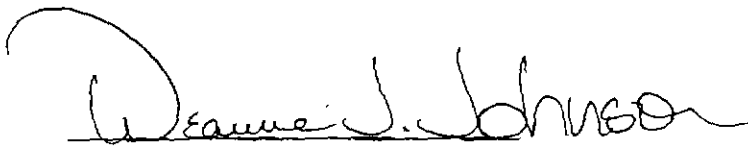
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| Charles A. Pease | Industry Arbitrator |
| Deanna J. Johnson | Public Arbitrator |

Concurring Arbitrators' Signatures

William R. Newsome, Esq.

Charles A. Pease


Deanna J. Johnson

Date of Service: February 12, 1999