

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Elizabeth and Anthony Saitta

Case No. 99-01708

Names of Respondents

A.G. Edwards & Sons, Inc.
Edward F. Barron

REPRESENTATION OF PARTIES

For Claimants: Stephen A. Baker, Esq. of Allan & Shipp, P.A., St. Petersburg, FL.

For Respondents: Michael Naccarato, Esq. of A.G. Edwards & Sons, Inc., St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: April 12, 1999.

Claimants signed the Uniform Submission Agreement: April 5, 1999.

Statement of Answer filed by Respondents on or about: August 27, 1999.

Respondent A.G. Edwards & Sons, Inc. ("AGE") signed the Uniform Submission Agreement: June 1, 1999.

Respondent Edward Barron signed the Uniform Submission Agreement: June 1, 1999.

CASE SUMMARY

Claimants alleged the following: Claimants placed a limit order to buy 500 shares of the initial public offering of Pacific Internet stock at \$35.00 per share. Respondents erroneously placed a market order for 500 shares of Pacific Internet stock. Claimants requested that Respondents rescind the trade. Respondents refused to rescind the trade and unilaterally sold the 500 shares which resulted in a loss to Claimants of \$15,777.86. Respondents breached their fiduciary duty to Claimants by wrongfully executing an unauthorized market order which resulted in a debit balance in Claimants' account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and alleged the following: Claimants placed a market order for 500 shares of Pacific Internet. After purchasing the stock, Respondents advised Claimants that the stock needed to be sold because there were insufficient funds in Claimants' account to pay for it. Claimants refused to sell the stock. Respondents sold the stock in order to

minimize Claimants' losses. These losses were sustained due to Claimants' actions. The Respondents were not negligent.

RELIEF REQUESTED

Claimants requested compensatory damages of \$15,777.86, reimbursement of all penalties resulting from the wrongful trade, interest, costs and all fees associated with this proceeding, attorneys' fees, and all further relief deemed appropriate by the Arbitrator.

Respondents requested a dismissal of the Statement of Claim, costs and expenses, and for such other relief the Arbitrator deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

Respondents breached their fiduciary duty to Claimants in failing to explain Claimants' options in connection with the purchase of Pacific Internet stock. Respondents are liable, jointly and severally, and shall pay to the Claimants compensatory damages in the sum of \$1,000.00 which represents the difference between the purchase price of \$87.00 and \$85.00 (the price at which the Pacific Internet stock could have been sold) multiplied by 500 (the number of shares purchased by Claimants).

Respondents are liable, jointly and severally, and shall pay to the Claimants the sum of \$125.00 representing reimbursement of the claim filing fee previously paid to NASD Regulation, Inc. by the Claimants.

Claimants' requests for reimbursement of all penalties resulting from the wrongful trade, interest, costs, and attorneys' fees are denied.

Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 125.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, AGE, is a party.

Member surcharge = \$ 400.00
Pre-hearing process fee = \$ 0.00
Hearing process fee = \$ 0.00

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: January 12, 2000 1 session

Two (2) Hearing sessions x \$450.00 = \$ 900.00
Hearing Date: April 12, 2000 2 sessions

Total Forum Fees = \$1350.00

The Arbitrator has assessed \$675.00 of the forum fees jointly and severally to Claimants.
The Arbitrator has assessed \$675.00 of the forum fees jointly and severally to Respondents.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee = \$ 125.00
Forum Fees = \$ 675.00
Total Fees = \$ 800.00
Less payments = \$ 575.00
Balance Due NASD Regulation, Inc. = \$ 225.00

Respondent AGE be and hereby is solely liable for:

Member Fees = \$ 400.00
Total Fees = \$ 400.00
Less payments = \$ 400.00
Balance Due NASD Regulation, Inc. = \$ 0.00

Respondents be and hereby are jointly and severally liable for:

Forum Fees = \$ 675.00
Total Fees = \$ 675.00
Less payments = \$ 600.00

Balance Due NASD Regulation, Inc.

= \$ 75.00

All balances are due and payable to NASD Regulation, Inc.

Arbitrator's Signature

/s/

Nicholas J. Taldone, Esq.
Sole Public Arbitrator

Signature Date

May 18, 2000

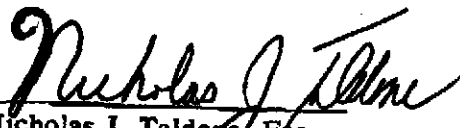
Date of Service (For NASD office use only)

Balance Due NASD Regulation, Inc.

= \$ 75.00

All balances are due and payable to NASD Regulation, Inc.

Arbitrator's Signature


Nicholas J. Taldone, Esq.
Sole Public Arbitrator


Signature Date

Date of Service (For NASD office use only)