

**Award
NASD Dispute Resolution, Inc.**

In the Matter of the Arbitration Between:

Steven G. Roberts and Gloria Roberts (Claimants/CounterRespondents)

vs.

American Express Financial Advisors, Inc., Anthony R. Ridgel, and Lorenzo R. Wilson (Respondents/CounterClaimants)

Case Number: 99-03357

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Claimants/CounterRespondents Steven G. Roberts and Gloria Roberts ("Roberts"), hereinafter collectively referred to as "Claimants/CounterRespondents": Robin Hoberman, Esq., Solutions First and Eccleston & Associates, Chicago, Illinois.

Respondents/CounterClaimants American Express Financial Advisors, Inc. ("American Express"), Anthony R. Ridgel ("Ridgel"), and Lorenzo R. Wilson ("Wilson"), hereinafter collectively referred to as "Respondents/CounterClaimants": Carolyn E. Guy, Esq., Schermer & Guy, LLP, Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed on or about: July 23, 1999

Claimants/CounterRespondents signed the Uniform Submission Agreement: June 01, 1999

Response to Respondent Wilson's Motion to Dismiss filed on or about: October 14, 2000

Response to Motion to Dismiss Respondents/CounterClaimants filed on or about: December 06, 2000

Statement of Answer filed by Respondents/CounterClaimants on or about: September 28, 1999

Motion to Dismiss filed by Respondents/CounterClaimants on or about:

December 06, 2000

Amended Statement of Answer, Motion to Dismiss Lorenzo Wilson and Counterclaim filed by Respondents/CounterClaimants on or about: May 05, 2000

Respondent/CounterClaimant American Express signed the Uniform Submission Agreement: September 22, 1999

Respondent/CounterClaimant Ridgel signed the Uniform Submission Agreement: September 14, 1999

Respondent/CounterClaimant Wilson signed the Uniform Submission Agreement: September 14, 1999

CASE SUMMARY

Claimants/CounterRespondents alleged Respondents/CounterClaimants Solicited Claimants/CounterRespondents' account and engaged in unauthorized trading. Claimants/CounterRespondents asserted the following causes of action: Violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act, Violation of the Illinois Securities Act of 1953, Fraud, Violation of the Illinois Consumer Fraud Act, Negligence, Breach of Fiduciary Duty, Breach of Contract, and Respondeat Superior Liability, Negligence (Failure to Supervise), and Control Person Liability.

The causes of action relate to trades in Amazon.com and St. Paul Federal common stock.

Unless specifically admitted in their Answer, Respondents/CounterClaimants denied the allegations made in the Statement of Claim.

In a counterclaim, Respondent/CounterClaimants asserted the following causes of action: Breach of contract for failure to meet a margin call as a consequence of the purchase of Amazon.com common stock in Claimants/CounterRespondents' account.

Unless specifically admitted in their Answer, Claimants/CounterRespondents denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimants/CounterRespondents requested:

Compensatory Damages	\$ 91,688.97
Punitive Damages	\$400,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	

Respondent/CounterClaimants American Express, Ridgel, and Wilson requested:

Compensatory Damages	\$65,982.71
Attorneys' Fees	\$15,975.00

OTHER ISSUES CONSIDERED AND DECIDED

Motions

Upon review of Respondent/CounterClaimant Wilson's Motion to Dismiss and Claimant's Response, the Panel granted the motion during the December 13, 2000 hearing.

During the December 14, 2000 hearing Respondents/CounterClaimants orally Motioned for Directed Verdict in their favor. The panel granted the motion in part and denied it in part.

During the December 14, 2001 hearing, Respondents orally motioned for Elimination of Specific Claims in the Statement of Claim (B – L, excluding E).

The panel granted the motion with respect to the following claims: B, C, D, I, J, K & L.

During the February 19, 2001 hearing, Claimants/CounterRespondents orally motioned panel to Reconsider Order Granting Respondents' a Partial Directed Verdict. The panel denied the motion.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants/CounterRespondents Steven and Gloria Roberts are jointly and severally liable to Respondent/CounterClaimant American Express Financial Advisers in the amount of \$59,482.71 as compensatory damages.
2. Claimants/CounterRespondents Steven and Gloria Roberts are jointly and severally liable to Respondent/CounterClaimant American Express

Financial Advisers for the statutory interest began to accrue January 20, 1999 and ceased accruing on February 19, 2001.

3. Claimants/CounterRespondents Steven and Gloria Roberts are jointly and severally liable to Respondent/CounterClaimant American Express Financial Advisers in the amount of \$15,975.00 as attorney's fees. In awarding attorney's fees, the panel determined that authority for such an award was granted by the Customer Agreement between the parties.
4. The panel recommends the expungement of all reference to the above captioned arbitration from Respondent/CounterClaimant Lorenzo Wilson's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent/CounterClaimant Lorenzo Wilson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. Any and all claims asserted by Claimants/CounterRespondents Steven and Gloria Roberts against Respondents/CounterClaimants American Express Financial Advisers and Anthony Ridgel are denied in their entirety.
6. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
Counter claim	= \$1,000.00

Member Fees

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

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00
Total	= \$4,600.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel x \$1,125.00		= \$ 1,125.00
Pre-hearing conference: August 14, 2000	1 session	
Eight (8) Hearing sessions x \$1,125.00		= \$ 9,000.00
Hearing Dates: December 13, 2000	2 sessions	
December 14, 2000	2 sessions	
December 14, 2000	2 sessions	
February 19, 2001	2 sessions	
One (1) Hearing session x \$0.00		= \$ 0.00
January 28, 2002	1 session	
Total Forum Fees		= \$10,125.00

1. The Panel has assessed \$3,375.00 of the forum fees jointly and severally to the Claimants/CounterRespondents.
2. The Panel has assessed \$3,375.00 of the forum fees to Respondent/CounterClaimant American Express Financial Advisers.
3. The Panel has assessed \$3,375.00 of the forum fees to Respondent/CounterClaimant Ridgel.

Fee Summary

1. Claimants/CounterRespondents are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,375.00
Total Fees	= \$3,675.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

2. Respondent/CounterClaimant American Express is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$3,375.00
Total Fees	= \$7,975.00
Less payments	= \$5,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,375.00

3. Respondent/CounterClaimant Ridgel is solely liable for:

Forum Fee Type	= \$3,375.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

4. Respondents/CounterClaimants Ridgel and American Express are jointly and severally liable for:

CounterClaim Filing Fee	= \$1,000.00
Total Fees	= \$1,000.00
Less payments	= \$1,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Katherine N. Levin, Esq.	-	Public, Presiding Chair
Marilyn T. Selby, J.D.	-	Public, Arbitrator
Daniel J. Weinberger, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Marilyn T. Selby

02/13/02

Marilyn T. Selby, J.D.
Public Arbitrator

Signature Date

/s/ Daniel J. Weinberger

02/12/02

Daniel J. Weinberger, Esq.
Industry Arbitrator

Signature Date

DISSENT

I respectfully dissent from the decision reached by the panel majority in this case. I conclude that Respondent/CounterClaimant Ridgel was not authorized by Claimant S. Roberts to place a market order for 1,000.00 shares of Amazon.com on January 8, 1999. He was authorized to place only a limit order. Based on the evidence, I find that Ridgel treated Roberts' account as a discretionary account, although he was not authorized to do so. American Express Financial Advisors (AEFA) did not produce the record of the conversation between Ridgel and AEFA's brokerage services on January 7, 1999, when Ridgel allegedly put in a limit order for Roberts for 158 13/16ths, although such conversations are recorded. I infer that the taped conversation would show that Ridgel, on his own initiative, upped the \$148 limit order that Roberts had authorized for the purchase of amazon stock to \$158 13/16ths after AEFA's brokerage services told him that the market had closed higher than \$148 on January 7.

The record contains a transcription of the conversation between Ridgel and AEFA brokerage services on January 8, 1999. Ridgel begins by asking if he can put a stop loss order on the purchase of 1,000 shares of Amazon.com. During hearing testimony, he acknowledged that he was not authorized by Roberts to take this action. When AEFA brokerage services tells Ridgel that he can't place a stop loss order, he asks "Can you get it for me somehow at 181? Is that possible?" The agent in AEFA brokerage services explains that Ridgel can put in a limit order at 181 or lower and also tells him that amazon hasn't hit 181 that day (this is 9 a.m. on January 8, shortly after the market opened).

During the next part of the conversation, Ridgel appeared to waiver about his course of action. He continued to ask AEFA brokerage services about the price of amazon. Ridgel's indecision is puzzling if, indeed, he had been instructed by Roberts to place a market order.

Ridgel: Ya, I think the client---he wants to pick it up---'cause he had ____ 167,157, but it opened up so high. What's it right now, again, 190?

Brokerage services: 192 is the last I got.

Ridgel: 192. 187, uh. . .I, um, boy, if I wait five minutes, too, it's probably going back down to 189.

Brokerage services: Ya, it's really tough to say how much it's jumping around.

Ridgel: Ya, and I have to go to a meeting, too, in five minutes. All right, so it's still at 191, right?

Brokerage services: Ya, I saw 193 and then 192. . .it looks like it kind has went up a little bit. 193.

Ridgel: OK, OK. All right, hell, if I do a mar--- limit order I might miss it.

Brokerage services: Ya. . .

Ridgel: Because it won't be worth watching. Give me the market order. Let's do it market.

I would find that when Ridgel says "Let's do it market" he is the one making the decision to place a market order for his client. He expressly decides against a limit order. However, reasons I've tried to explain, I don't believe Ridgel was authorized by Roberts to place a market order on January 8, 1999. I would conclude that Claimants/CounterRespondents established by a preponderance of the evidence that the market order for 1,000 shares of Amazon.com, made on January 8, 1999, was not an authorized order.

Dissenting Arbitrator's Signature

/s/ Katherine N. Levin

02/13/02

Katherine N. Levin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

02/13/02

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Case number: 99-03357
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2. Respondent/CounterClaimant American Express is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$3,375.00
Total Fees	= \$7,975.00
Less payments	= \$5,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,375.00

3. Respondent/CounterClaimant Ridgel is solely liable for:

Forum Fee Type	= \$3,375.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

4. Respondents/CounterClaimants Ridgel and American Express are jointly and severally liable for:


CounterClaim Filing Fee	= \$1,000.00
Total Fees	= \$1,000.00
Less payments	= \$1,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Katherine N. Levin, Esq.	-	Public, Presiding Chair
Marilyn T. Selby, J.D.	-	Public, Arbitrator
Daniel J. Weinberger, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Marilyn T. Selby, J.D.
Public Arbitrator

2-13-02
Signature Date

Daniel J. Weinberger, Esq.
Industry Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
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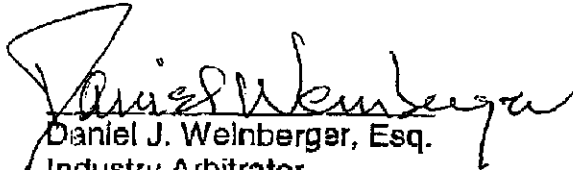
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Public Arbitrator

Signature Date


Daniel J. Weinberger, Esq.
Industry Arbitrator

2-12-02
Signature Date

NASD Dispute Resolution, Inc.

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Ridgel: Because it won't be worth watching. Give me the market order. Let's do it market.

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Dissenting Arbitrator's Signature

Katherine N. Levin

Katherine N. Levin, Esq.

Public Arbitrator, Presiding Chair

February 13, 2002

Signature Date

Date of Service (For NASD office use only)

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