

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John Cordova, Claimant v. Mark Bernhard and A.G. Edwards & Sons, Inc., Respondents

Case Number: 99-03471

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

Steven M. Green, Esq.
Law Offices of
Steven M. Green
San Diego, California

For Respondents:

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

CASE INFORMATION

Statement of Claim filed: July 28, 1999

Claimant's Uniform Submission Agreement signed: July 28, 1999

Joint Statement of Answer filed by Respondents: November 22, 1999

Respondent Mark Bernhard's Uniform Submission Agreement signed: November 3, 1999

Respondent A.G. Edwards & Sons, Inc.'s Uniform Submission Agreement signed: November 18, 1999

CASE SUMMARY

Claimant alleged breach of fiduciary duty, intentional misrepresentation, fraud and deceit, breach of contract and covenant of good faith and fair dealing, violation of the Securities Act of 1933, 15 USC Sections 77l (1), 77l (2), 77q (a) (1), 77q (a) (2), and 77q (a) (3), violation of Sections 25400, 25401, 25500 and 25501 of the California Corporate Securities Act of 1968, violation of Sections 25110, 25130, and 25503 of the California Securities Act of 1968, negligence, negligent misrepresentation, negligent management, and conversion.

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

RELIEF REQUESTED

Claimant sought the following:

1. Under all counts, that the court grant judgment against respondents, and each of them, and award damages to claimant in the aggregate amount of in excess of sixty five thousand dollars (approximately \$ 120,000.00) or such other aggregate amount determined to have been sustained by claimant, together with interest and costs of suit.
2. Under the Fourth Cause of Action (violation of the Securities Act of 1933), and Fifth and Sixth Causes of Action (violation of the California Corporate Securities Act of 1933), an Order from the Court determining that the contract of the sale of securities are rescinded and that the consideration paid by claimant to respondents in excess of \$ 120,000.00, or such sum as is found at trial to have been paid to respondents, be returned to claimant, with interest thereon at the legal rate from the date the contracts were entered into by claimant, or in the alternative damages in the amount of in excess of \$ 120,000.00, or such other sum as is found at trial to have been sustained by claimant.
3. Under the First Cause of Action (breach of fiduciary duty), Second Cause of Action (intentional misrepresentation, fraud and deceit), and Eight Cause of Action (conversion), that the court grant judgment and assess punitive and exemplary damages against respondents, and each of them, in an aggregate amount to be determined at the hearing; and
4. That the panel grant claimant his costs and disbursements together with reasonable attorney's fees.

Respondents requested that the arbitrators enter an order dismissing Claimant's Statement of Claim in its entirety, awarding respondents their costs and fees associated with the defense of this matter, including reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Mark Bernhard and A.G. Edwards & Sons, Inc. are jointly and severally liable to and shall pay Claimant the sum of \$ 20,000.00.
- 2) Respondents Mark Bernhard and A.G. Edwards & Sons, Inc. are jointly and severally liable to and shall pay Claimant the sum of \$ 150.00 to reimburse Claimant for one-half of the arbitration filing fee.
- 3) Except as noted above, the parties shall bear their respective costs, including attorney's fees.
- 4) No part of this Award has been predicated upon a finding of failure to supervise.
- 5) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute.

The member firm A.G. Edwards & Sons, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 2,500.00</u>
Total Member Fees	= \$ 4,600.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,125/session	= \$ 1,125.00
Pre-hearing conference: May 23, 2000 1 session	
(4) Hearing sessions @ \$1,125/session	= \$ 4,500.00
Hearings: October 17, 2000 2 sessions	
October 18, 2000 2 sessions	
Total Forum Fees	= \$ 5,625.00

1. The Panel assessed \$ 2,812.50 of the forum fees to Claimant John Cordova.
2. The Panel assessed \$ 2,812.50 of the forum fees jointly and severally to Mark Bernhard and A.G. Edwards & Sons, Inc.

Fee Summary

1. Claimant, John Cordova, is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,812.50
Total Fees	= \$ 3,112.50
Less payments	= \$ (1,425.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,687.50
2. Respondent, A.G. Edwards & Sons, Inc., is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
Less payments	= \$ (4,600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
3. Respondent, Mark Bernhard and A.G. Edwards & Sons, Inc., are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 2,812.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,812.00

All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures



Joseph Winter
Chair, Public Arbitrator

Oct. 30, 2000
Signature Date

David G. Axtmann
Public Arbitrator

Signature Date


Dunn Krah
Non-Public Arbitrator

Signature Date

October 30, 2000
Date of Service

Concurring Arbitrators' Signatures

Joseph Winter
Chair, Public Arbitrator



David G. Axmann
Public Arbitrator

Signature Date

10-26-00

Signature Date

Dunn Krahrl
Non-Public Arbitrator

Signature Date

Date of Service

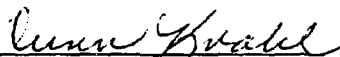
Concurring Arbitrators' Signatures

Joseph Winter
Chair, Public Arbitrator

Signature Date

David G. Axtmann
Public Arbitrator

Signature Date



Dunn Krahl
Non-Public Arbitrator

10/26/00

Signature Date

Date of Service