

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Bruce Hicks and Lisa Hicks, (Claimants) vs. A.G. Edwards & Sons and William Andrew Gallmeister (Respondents).

Case Number: 99-05313 Hearing Site: Denver, Colorado

REPRESENTATION OF PARTIES

Claimants, Bruce Hicks and Lisa Hicks, ("Claimants"): Richard J. Edson, Esq.: Edson, Laplante & Spinelli, PC, Sacramento, CA.

Respondent, A.G. Edwards & Sons, Inc. and William Andrew Gallmeister ("Respondents"): Clay L. Grumke, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: November 24, 1999.

Claimants, Bruce Hicks and Lisa Hicks signed the Uniform Submission Agreement: September 10, 1999.

Statement of Answer filed by Respondents, A.G. Edwards & Sons and William Andrew Gallmeister, on or about: February 29, 2000.

Respondent, A.G. Edwards & Sons, Inc., signed the Uniform Submission Agreement: February 28, 2000.

Respondent, William Andrew Gallmeister, signed the Uniform Submission Agreement: February 28, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: Unsuitability, Violations of the Know your Customer and Know Your Securities Rule, Fraud, Deceit, and Omissions of Material Fact, Breach of Fiduciary Duty, Failure to Supervise, and Respondeat Superior. The causes of action relate to the purchase and sale of

securities including Microsoft, Copperstone Resources, International Curator Res. Ltd., and Island Arc Resources Corp.

Unless specifically admitted in its Answer, Respondents A.G. Edwards & Sons, Inc. and William Andrew Gallmeister denied the allegations made in the Statement of Claim and asserted defenses including the following: The Statement of Claim fails to state a claim upon which relief can be granted; the doctrines of estoppel, account stated, waiver, laches and ratification; the Claimants' knowing and voluntary assumption of risk was a sole and proximate cause of any alleged damages; the damages alleged, if any, were caused by unforeseeable market factors and conditions affecting the value of the securities in the Claimants' account for which Respondents are not liable or responsible.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$325,000.00
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents requested:

Other Monetary/Non-Monetary Relief:	unspecified
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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 Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents A.G. Edwards & Sons and William Andrew Gallmeister are jointly and severally liable for and shall pay Claimants Bruce Hicks and Lisa Hicks compensatory damages of eighty eight thousand dollars (\$88,000.00); and
2. That Respondents A.G. Edwards & Sons and William Andrew Gallmeister are jointly and severally liable for and shall pay Claimants Bruce Hicks and Lisa Hicks forum fees of fourteen hundred and twenty five dollars (\$1,425.00); and

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

Initial claim filing fee = \$300.00

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 and the Respondent's firm.

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

Forum Fees and Assessments

The Arbitration 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 16, 2000	1 session
Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: January 23, 2001	2 sessions
January 24, 2001	2 sessions
Total Forum Fees	= \$5,625.00

1. The Arbitration Panel has assessed \$4,5000.00 of the forum fees jointly and severally to Respondents A.G. Edwards & Sons and William Andrew Gallmeister;
2. The Arbitration Panel has assessed \$1,125.00 of the forum fees to Claimants Bruce Hicks and Lisa Hicks, and above ordered Respondents to reimburse the Claimants all forum fees.

Fee Summary

1. Claimants, Bruce Hicks and Lisa Hicks, be and hereby is solely liable for:
Initial Filing Fee = \$300.00

Forum Fees	= \$1,1125.00
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$1,425.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Zero Balance	= \$0

2. Respondent, A.G. Edwards & Sons, Inc., be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Zero Balance	= \$0

4. Respondents, A.G. Edwards & Sons and William Andrew Gallmeister, be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	<u>= \$4,500.00</u>
Total Fees	= \$4,500.00
<u>Less payments</u>	<u>= \$0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

/s/ Bradford J. Lam

March 19, 2001

Bradford J. Lam
Public Arbitrator, Presiding Chair

Signature Date

/s/ R. Kenneth Webster

March 21, 2001

R. Kenneth Webster
Industry Arbitrator

Signature Date

/s/ Bruce Brady

March 21, 2001

Bruce W. Brady
Public Arbitrator

Signature Date

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Forum Fees	= \$1,126.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$1,426.00
<u>Less payments</u>	= \$1,426.00
Zero Balance	= \$0

2. Respondent, A.G. Edwards & Sons, Inc., be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Zero Balance	= \$0

4. Respondents, A.G. Edwards & Sons and William Andrew Gallmeister, be and hereby are jointly and severally liable for:

Forum Fee	= \$4,500.00
Total Fees	= \$4,500.00
<u>Less payments</u>	= \$0
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature


Bradford J. Lam
Public Arbitrator, Presiding Chair

March 9, 2001
Signature Date

R. Kenneth Webster
Industry Arbitrator

Signature Date

Bruce W. Brady
Public Arbitrator

Signature Date

Forum Fees	= \$1,1125.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$1,425.00
<u>Less payments</u>	= \$1,425.00
Zero Balance	= \$0

2. Respondent, A.G. Edwards & Sons, Inc., be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Zero Balance	= \$0

4. Respondents, A.G. Edwards & Sons and William Andrew Gallmeister, be and hereby are jointly and severally liable for:


Forum Fee	= \$4,500.00
Total Fees	= \$4,500.00
<u>Less payments</u>	= \$0
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

 Bradford J. Lam
 Public Arbitrator, Presiding Chair

Signature Date


 R. Kenneth Webster
 Industry Arbitrator

Signature Date

 Bruce W. Brady
 Public Arbitrator

Signature Date

Forum Fees	= \$1,125.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$1,425.00
<u>Less payments</u>	= \$1,425.00
Zero Balance	= \$0

2. Respondent, A.G. Edwards & Sons, Inc., be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Administrative Costs</u>	= \$0
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Zero Balance	= \$0

4. Respondents, A.G. Edwards & Sons and William Andrew Gallmeister, be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	= \$4,500.00
Total Fees	= \$4,500.00
<u>Less payments</u>	= \$0
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

Bradford J. Lam
Public Arbitrator, Presiding Chair

Signature Date

R. Kenneth Webster
Industry Arbitrator

Signature Date



Bruce W. Brady
Public Arbitrator

03/21/01

Signature Date