

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Jack S. Gilbert and Brena Gilbert, (Claimants) vs. A.G. Edwards & Sons, Inc., Patrick B. Honadle, Anne Catillaz, Bill Branson, Jr., Jon Lawrence, Gail Romano, and Joe Klarberg, (Respondents)

Case Number: 99-05350

Hearing Site: Buffalo, New York

REPRESENTATION OF PARTIES

Claimants, Jack S. Gilbert ("J. Gilbert") and Brena Gilbert ("B. Gilbert"), hereinafter collectively referred to as "Claimants": George DesMarteau, Esq., DesMarteau & Beale, Rochester, NY.

Respondents, A.G. Edwards & Sons, Inc. ("Edwards"), Anne Catillaz ("Catillaz"), Bill Branson, Jr. ("Branson"), Gail Romano ("Romano"), and Joe Klarberg ("Klarberg"): Nuviah Shirazi, Esq., Litigation Counsel, A.G. Edwards & Sons, Inc., St. Louis, MO.

Respondents, Patrick B. Honadle ("Honadle") and Jon Lawrence ("Lawrence"): Paul Stecker, Esq., Phillips, Lytle, Hitchcock, Blaine & Huber LLP, Buffalo, NY. Previously represented by: Nuviah Shirazi, Esq., Litigation Counsel, A.G. Edwards & Sons, Inc., St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: November 22, 1999.

Reply to Counterclaim filed by Claimants on or about: March 24, 2000.

J. Gilbert signed the Uniform Submission Agreement: November 23, 1999.

B. Gilbert signed the Uniform Submission Agreement: November 23, 1999.

Joint Statement of Answer filed by Respondents on or about: March 15, 2000.

Counterclaim filed by Edwards on or about: March 15, 2000.

Edwards signed the Uniform Submission Agreement: March 10, 2000.

Honadle signed the Uniform Submission Agreement: March 31, 2000.

Catillaz signed the Uniform Submission Agreement: March 30, 2000.

Branson signed the Uniform Submission Agreement: March 14, 2000.

Lawrence signed the Uniform Submission Agreement: March 10, 2000.

Romano signed the Uniform Submission Agreement: March 10, 2000.

Klarberg signed the Uniform Submission Agreement: February 22, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: sexual harassment; cruel and unusual treatment with the intent to cause psychological, emotional, and physical harm to Claimants; abusive use of a training contract as a means of extortion; wrongful denial of just compensation; wrongful interference with the relationships between Claimants and their customers; unlawful retention of funds in violation of the Labor Laws of the State of New York; wrongful termination; libel; and slander.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants' claims are neither grounded in law or in fact; B. Gilbert fails to identify relevant facts to properly plead sexual harassment; the evidence will show that B. Gilbert was never sexually harassed; J. Gilbert was an employee-at-will, who had been advised that his employment could be terminated at any time with or without cause; Claimants fail to state facts sufficient to constitute a claim upon which relief can be granted; Respondents' acts, omissions, and/or conduct relative to the claims filed herein were at all times based on reasonable non-discriminatory factors and were in good faith and/or for a good cause; Claimants are barred from bringing their claims in whole or in part, because they failed to satisfy the statutory requirements under applicable federal and state laws and procedures; Claimants are not entitled to the damages sought; Claimants failed to exhaust their administrative remedies. Claimants fail to state a viable cause of action under which relief may be granted; and Claimants are barred from bringing their causes of action pursuant to the applicable statute of limitations.

In its Counterclaim, Edwards asserted the following causes of action: wrongful removal of Edwards' client files; breach of employment agreement; and failure to reimburse Edwards for training expenses.

Unless specifically admitted in their Reply, Claimants denied the allegations made in the Counterclaim and asserted the following defenses: Claimants returned the files in question upon the request of Edwards' counsel; the files were rightfully in Claimants' possession at the time of J. Gilbert's summary dismissal; Claimants have made a full and complete search and have determined that they have no further client files belonging to Edwards; and the wrongful and egregious conduct of Edwards bars its claim for reimbursement of training expenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$3,000,000.00, plus punitive damages in the amount of \$1,500,000.00.

Respondents requested that all claims be dismissed in their entirety, and that they be awarded any and all costs and expenses incurred in connection with the defense of this arbitration proceeding.

In its Counterclaim, Edwards requested compensatory damages in the amount of \$22,500.00 and an order directing Claimants to return the remaining client files in their possession.

In their Reply, Claimants requested that the Counterclaim be dismissed and that they be awarded the relief requested in their Statement of Claim.

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

1. Edwards and Branson be and hereby are jointly and severally liable for and shall pay to J. Gilbert, individually, the sum of \$100,000.00 as compensatory damages.
2. B. Gilbert be and hereby is solely liable for and shall pay to Edwards the sum of \$18,000.00 as compensatory damages.
3. All claims against Honadle, Catillaz, Lawrence, Romano, and Klarberg are hereby dismissed.
4. Edwards' Counterclaim against J. Gilbert is hereby dismissed.
5. Claimants' request for punitive damages is hereby denied.
6. All other requests for relief are hereby 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	= \$ 600.00
Counterclaim filing fee	= \$ 750.00

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 persons at the time of the events giving rise to the dispute. In this matter, A.G. Edwards & Sons, Inc. is a party.

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

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is a 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 a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: May 1, 2001	1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: October 13, 2000	1 session
April 5, 2001	1 session

Twenty-one (21) Hearing sessions x \$1,200.00	= \$25,200.00
Hearing Dates:	
October 1, 2001	2 sessions
October 2, 2001	2 sessions
October 3, 2001	2 sessions
October 4, 2001	2 sessions
October 5, 2001	2 sessions
October 15, 2001	1 session
November 5, 2001	2 sessions
November 6, 2001	2 sessions

	November 8, 2001	2 sessions	
	November 9, 2001	2 sessions	
	November 12, 2001	2 sessions	
<hr/> Total Forum Fees			= \$28,050.00

1. The Panel has assessed \$14,025.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$14,025.00 of the forum fees jointly and severally against Edwards and Branson.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$14,025.00
Total Fees	= \$14,625.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$12,825.00

2. Edwards be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 750.00
Member Fees	= \$ 7,600.00
Total Fees	= \$ 8,350.00
Less payments	= \$ 8,350.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Edwards and Branson be and hereby are jointly and severally liable for:

Forum Fees	= \$14,025.00
Total Fees	= \$14,025.00
Less payments	= \$ 450.00
Balance Due NASD Dispute Resolution, Inc.	= \$13,575.00

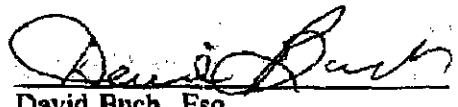
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

David Buch, Esq.	-	Public Arbitrator, Presiding Chair
Daniel M. Mankowski	-	Public Arbitrator
Richard A. Scalfani	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



David Buch, Esq.
Public Arbitrator, Presiding Chair

12/6/01
Signature Date

David Buch, Esq.
Public Arbitrator, Presiding Chair

Daniel M. Mankowski
Public Arbitrator

Signature Date

Daniel M. Mankowski
Public Arbitrator

Richard A. Scalfani
Industry Arbitrator

Signature Date

December 21, 2001
Date of Service (For NASD office use only)

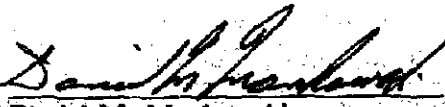
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Public Arbitrator

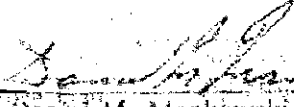
Richard A. Scalfani
Industry Arbitrator

Signature Date

David Buch, Esq.
Public Arbitrator, Presiding Chair

12/03/01

Signature Date



Daniel M. Mankowski
Public Arbitrator

Signature Date

December 21, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

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Signature Date

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Public Arbitrator, Presiding Chair

Daniel M. Mankowski
Public Arbitrator

Signature Date

Daniel M. Mankowski
Public Arbitrator

Richard A. Scalfani
Richard A. Scalfani
Industry Arbitrator

December 4, 2001
Signature Date

December 21, 2001
Date of Service (For NASD office use only)