

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Lonnie McDonald

and

00-04272
Dallas, Texas

Name of Respondent

Edward D. Jones & Co., L.P.

REPRESENTATION OF PARTIES

Lonnie McDonald ("**Claimant**") was represented by R. James George, Esq., George & Donaldson, L.L.P., located in Austin, Texas.

Edward D. Jones & Co. ("**Respondent**") was represented by Lisa A. Nielsen, Esq., and John Petite, Esq. Greenfelder, Hemker & Galse, P.C., located in St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about September 27, 2000. Submission Agreement of Claimant Lonnie McDonald was signed on September 18, 2000.

Statement of Answer was filed by Respondent on or about December 29, 2000. Submission Agreement of Respondent was signed on December 14, 2000.

CASE SUMMARY

Claimant alleged that his former employer Edward D. Jones & Co., L.P. committed liable and/or slander on his form U-5 regarding his termination of employment.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that all information on the U-5 was accurate.

RELIEF REQUESTED

Claimant requested an award in the amount of \$500,000.00 in compensatory damages, attorney's fees and any other costs that the panel deems appropriate.

Respondent requested that the claims asserted against it be denied in its entirety and that they be awarded their costs and attorney's fees.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- (1.) That Respondent Edward D. Jones is liable for and pay Claimant Lonnie McDonald (\$75,000.00) seventy five thousand dollars in compensatory damages;
- (2.) The Panel recommends the expungement of Claimant Lonnie McDonald's U-5 of the "reason for termination" stating that "Mr. McDonald employment was terminated when it was confirmed he had not promptly reported to our compliance department that two regulators had visited his office and questioned him and when he acknowledged he had become involved with an outside investment without first advising and obtaining the required approval from our firm" based on the defamatory nature of the information, and the expungement of all reference to the above caption arbitration from Respondent Lonnie McDonald's registration records maintained by the NASD Central Registration Depository ("CRD"). The Respondent should input "reason for termination - that there

was a violation of implicit company policy." The expungement relief is granted based on the defamatory nature of the information in the CRD system, however, there has been no finding that the elements required to satisfy a claim for defamation under governing law have been met.

- (3). That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
- (4). Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorney's fees.

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
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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 Edward D. Jones & Co., L.P.

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 arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing sessions with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: October 5, 2001 1 session	

One (1) Pre-hearing sessions with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: March 1, 2001 1 session	
Six (6) Hearing sessions x \$1,125.00	= \$6,750.00
Hearing Date(s): October 31, 2001 2 sessions	
November 1, 2001 2 sessions	
November 2, 2001 2 sessions	
Total Forum Fees	= \$8,325.00

The Arbitration Panel has assessed \$8,325 of the forum fees to Edward D. Jones & Co. L.P.

Fee Summary

Claimant, Lonnie McDonald, shall be and hereby is liable for:

Initial Filing Fee	= \$300.00
<u>Forum Fees</u>	= \$.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$2,125.00
Refund to Claimant	= \$1,825.00

Respondent, Edward D. Jones & Co., L.L.P., shall be and hereby is liable for:

Type Filing Fee	= \$.00
Member Fees	= \$4,600.00
<u>Forum Fees</u>	= \$8,325.00
Total Fees	= \$12,925.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$8,325.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

John K. Ulrey - Public Arbitrator, Presiding Chair
Harold Hunter -Public Arbitrator
Robert Hedrick-Non-Public Arbitrator

Concurring Arbitrators:

John K. Ulrey
Public Arbitrator, Presiding Chair

Signature Date

Harold Hunter
Public Arbitrator

Signature Date

Robert K. Hedrick
Non-Public Arbitrator

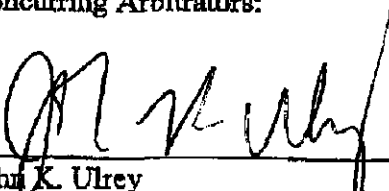
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-04272
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John K. Ulrey - Public Arbitrator, Presiding Chair
Harold Hunter - Public Arbitrator
Robert Hedrick - Non-Public Arbitrator

Concurring Arbitrators:



John K. Ulrey
Public Arbitrator, Presiding Chair

12/19/01

Signature Date

Harold Hunter
Public Arbitrator

Signature Date

Robert K. Hedrick
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
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Award Page 5 of 5

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Concurring Arbitrators:

John K. Ulrey
Non-Public Arbitrator, Presiding Chair

Signature Date

Harold Hunter
Public Arbitrator

12/20/01
Signature Date

Robert K. Hedrick
Non-Public Arbitrator

Signature Date

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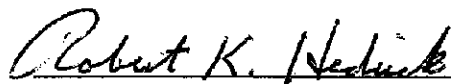
Concurring Arbitrators:

John K. Ulrey
Non-Public Arbitrator, Presiding Chair

Signature Date

Harold Hunter
Public Arbitrator

Signature Date



Robert K. Hedrick
Non-Public Arbitrator

12-19-2001
Signature Date