

**Award  
NASD**

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In the Matter of the Arbitration Between:

Name of the Claimant

Richard H. Justice, Jr.

Case Number: 01-02351

Name of the Respondents

Edward D. Jones & Co. and Bradley Barrett

Hearing Site: Chicago, Illinois

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**REPRESENTATION OF PARTIES**

Claimant, Richard H. Justice, Jr. ("Justice"): James Eccleston, Esq. and Ronald Amato, Esq. of the firm Shaheen, Novolesky, Staat & Filipowski located in Chicago, Illinois

Respondents, Edward D. Jones & Co. ("Edward D. Jones & Co.") and Bradley Barrett ("Barrett"), hereinafter collectively referred to as "Respondents": Brad Lear, Esq. and Lisa Nielson, Esq. of the firm Greensfelder, Hemker & Gale, P.C. located in St. Louis, Missouri

**CASE INFORMATION**

Statement of Claim filed on or about: May 07, 2001

Claimant, Justice, signed the Uniform Submission Agreement: April 26, 2001

Statement of Answer filed by Respondents on or about: July 05, 2001

Respondent Edward D. Jones & Co., signed the Uniform Submission Agreement: May 17, 2001

Respondent Barrett signed the Uniform Submission Agreement: June 06, 2001

**CASE SUMMARY**

Claimants Justice asserted the following causes of action: Unsuitability, Churning, Breach of Fiduciary Duty, Failure to Disclose Margin Risks; Violation of the Illinois Securities Law of 1953; Violation of the Illinois Consumer Fraud Act; Fraud; Breach of Fiduciary Duty; Negligence; and Respondeat Superior and Negligence as to Respondent Edward D. Jones & Co.

The causes of action relate to the Tellabs, Microsoft, Gateway, Compaq Computer Corp., Gillette Co., Hutchinson Technology, AT&T Corp. Computer Associates International, Inc., Intel Corp., Lowes Companies, Inc., Lucent Technologies, Inc. Motorola, Worldcom, Inc., Putnam Health Sciences, and Avaya Inc. stocks.

Unless specifically admitted in their Answer, Respondent Edward D. Jones & Co. and Respondent Barrett denied the allegations made in the Statement of Claim and asserted the following defenses:

Assumption of Risk; Authorization; Ratification; Contributory or Comparative Negligence; Failure to Mitigate; NASD and NYSE do not provide a Private Cause of Action; and Respondent Edward D. Jones provided Reasonable and Adequate Supervisory Mechanisms.

### **RELIEF REQUESTED**

**Claimant Justice requested:**

Compensatory Damages	\$46,066.00
Interest	10% per annum
Attorneys' Fees	reasonable
Other Costs	not specified
Other Monetary/Non-Monetary Relief if any:	as panel deems just and equitable

**Respondent Edward D. Jones & Co. requested:**

Other Monetary/Non-Monetary Relief if any:	denial of claim
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### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Edward D. Jones & Co. is solely liable for and shall pay to Claimant Richard H. Justice, Jr. the sum of \$8,861.75 as compensatory damages.
2. Respondent Bradley Barret is solely liable for and shall pay to Claimant Richard H. Justice, Jr. the sum of \$2,400.00 as compensatory damages.
3. Parties shall bear their own costs, including attorney's fees.
4. 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$175.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Edward D. Jones & Co. is a party.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00

<u>Hearing process fee</u>	= \$1,000.00
<u>Total</u>	= \$2,400.00

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A 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 at \$600.00 = \$ 600.00

Pre-hearing conference: January 18, 2002 1 session

Six (6) Hearing sessions at \$600.00 = \$3,600.00

Hearing Dates: July 10, 2002 2 sessions

July 11, 2002 2 sessions

July 12, 2002 2 sessions

Total Forum Fees = \$4,200.00

The Panel has assessed \$4,200.00 of the forum fees to Edward D. Jones

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondent Edward D. Jones requested copies = \$68.75

**FEE SUMMARY**

1. Claimant, Richard H. Justice, Jr., is solely liable for:

Initial Filing Fee = \$ 175.00

Total Fees = \$ 175.00

Less payments = \$ 775.00

Refund Due from NASD = \$ 600.00

2. Respondent, Edward D. Jones & Co. is solely liable for:

Member Fees = \$ 2,400.00

Administrative Costs = \$ 68.75

Forum Fees = \$ 4,200.00

Total Fees = \$ 6,668.75

Less payments = \$ 2,460.00

Balance Due NASD = \$ 4,208.75

All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

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**ARBITRATION PANEL**

John D. Crawford, Esq.	-	Public Arbitrator, Presiding Chairperson
Theodore L. Leeb, Esq.	-	Public Arbitrator
Daniel B. Lidawer, CPA	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ John D. Crawford

08/15/02

\_\_\_\_\_  
John D. Crawford, Esq.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

/s/ Theodore L. Leeb

08/17/02

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Theodore L. Leeb, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

/s/ Daniel B. Lidawer

08/13/02

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Daniel B. Lidawer, CPA  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

08/20/02

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)

NASD

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ARBITRATION PANEL

John D. Crawford, Esq.

Theodore L. Leeb, Esq.

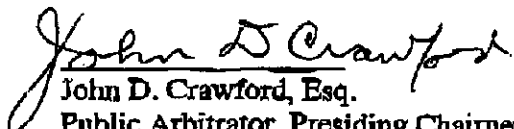
Daniel B. Lidawer, CPA

Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

  
John D. Crawford, Esq.  
Public Arbitrator, Presiding Chairperson

Aug. 15, 2002  
Signature Date

Theodore L. Leeb, Esq.  
Public Arbitrator

Signature Date

Daniel B. Lidawer, CPA  
Non-Public Arbitrator

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Theodore L. Leeb, Esq.  
Public Arbitrator

8/17/02  
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Theodore L. Leeb, Esq.

Daniel B. Lidawer, CPA

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Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

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John D. Crawford, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date

Theodore L. Leeb, Esq.

Public Arbitrator

Signature Date

Daniel B. Lidawer, CPA

Non-Public Arbitrator

8/13/02

Signature Date

Date of Service (For NASD Dispute Resolution office use only)