

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Karin Irwin Revocable Trust
Karin Irwin, Trustee

Case Number: 02-06722

Name of the Respondents

Steven S. Godwin , Jean S. LaFata
and Edward D. Jones & Co., L.P.

Hearing Site: St. Louis, Missouri

NATURE OF DISPUTE

Customer vs. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Michael Hume of Loss Recovery Center located in Incline Village, Nevada, represented Claimant, Karin Irwin, Trustee of the Karin Irwin Revocable Trust.

Wendy S. Menghini, Esq. of the law firm Greensfelder, Hemker & Gale, P.C. located in St. Louis, Missouri, represented Respondents, Steven S. Godwin ("Godwin") and Jean S. LaFata ("LaFata") and Edward D. Jones & Co. ("Edward D. Jones"), hereinafter collectively referred to as "Respondents."

CASE INFORMATION

Statement of Claim filed on November 7, 2002.

Claimant, Karin Irwin, Trustee for the Karin Irwin Revocable Trust, signed the Uniform Submission Agreement on September 26, 2002.

Statement of Answer filed by Respondents, Godwin and LaFata on June 2, 2003.

Respondent Godwin signed the Uniform Submission Agreement on May 19, 2003.

Respondent LaFata signed the Uniform Submission Agreement on March 20, 2003.

Claimant, Karin Irwin, Trustee for the Karin Irwin Revocable Trust, filed an Amended Statement of Claim on November 7, 2003.

Answer to Amended Statement of Claim filed by Respondents, Godwin, LaFata and Edward Jones, on November 14, 2003.

Respondent, Edward D. Jones, did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, negligence, suitability, failure to supervise, breach of fiduciary duty and violations of NASD and NYSE, federal and state securities laws. The causes of action relate to the order execution of Putnam Growth Opportunities and Putnam Classic Equity funds. Claimant alleged that these investments were speculative in nature and did not meet Claimant's needs and objectives.

Unless specifically admitted in its Answer, Respondents, Godwin, LaFata and Edward Jones denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant ratified all transactions that took place in her Edward Jones' accounts and therefore, is barred from recovering any alleged loss resulting from such transactions.
2. To the extent that Claimant has suffered any damages, they are the product of the negligent conduct of Claimant or others such that some or all of Claimant's recovery is barred by those contributory or comparative negligent acts.
3. Claimant failed to mitigate her alleged damages and therefore, is barred from recovering any damages to the extent that such damages could have been prevented had Claimant fulfilled her duty to mitigate.
4. The Statement of Claim is barred by the doctrine of waiver.
5. The Statement of Claim is barred by the doctrine of estoppel.
6. The Statement of Claim is barred by the statute of limitations.
7. Claimant was on notice of, understood and assumed the risks associated with the investment transactions she made in her Edward Jones' accounts and therefore, is barred from recovering any alleged losses resulting from such transactions.
8. Claimant authorized and instructed Respondents to enter into all of the transactions at issue and therefore, claims based on such transactions should be dismissed.
9. To the extent Claimant bases her claims on the NASD and/or NYSE rules, such rules do not provide for a private cause of action in favor of Claimant and therefore such claims should be dismissed.
10. Claimant's negligent supervision claim should be dismissed because at all times relevant herein, Edward Jones had adequate supervisory mechanisms and safeguards in place and acted in accordance with these procedures.

At the hearing of this matter, Respondents, Godwin, LaFata and Edward Jones, moved to dismiss the claim involving a failure to supervise in Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$115,000.00
Punitive Damages	\$345,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

Respondents, Godwin, LaFata and Edward Jones requested that all claims in Claimant's Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel denied Respondents' oral motion to dismiss the claim involving a failure to supervise in Claimant's Statement of Claim.

Respondent, Edward D. Jones & Co., L.P. did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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, 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. Respondents, Steven Godwin and Edward D. Jones & Co., L.P., are jointly and severally liable for and shall pay the Claimant, Karin Irwin, the sum of \$78,676.00 as compensatory damages.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Steven Godwin and Jean S. LaFata's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Steven Godwin's and Jean S. LaFata must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Parties shall bear all other costs, including attorney's fees, except as specified herein.
4. Any and all other relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution 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 persons at the time of the events giving rise to the dispute. Accordingly, Edward D. Jones & Co., L.P. is a party to this case and is assessed the following fees:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 2,750.00</u>
Total fees	= \$ 5,200.00

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(s) with Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: October 23, 2003 1 session	
Eight (8) Hearing sessions @ \$1,125.00	= \$ 9,000.00
Hearing Dates: March 1, 2004 2 sessions	
March 2, 2004 2 sessions	
March 3, 2004 4 sessions	
<u>Total Forum Fees</u>	<u>= \$10,125.00</u>

1. The Panel has assessed 100% of the total forum fees in the amount of \$10,125.00 solely to Edward D. Jones & Co., L.P.

Fee Summary

1. Claimant, Karin Irwin, is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Refund Due from NASD Dispute Resolution	= \$ 1,125.00

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

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$10,125.00</u>
Total Fees	= \$15,325.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution	= \$13,625.00

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

ARBITRATION PANEL

George T. Mehan, Jr.	-	Public Arbitrator, Presiding Chairperson
Mark R. Lee	-	Public Arbitrator
Glenda S. Bone	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

George T. Mehan, Jr.
Public Arbitrator, Presiding Chairperson

3/12/04
Signature Date

Mark R. Lee
Public Arbitrator

3/12/04
Signature Date

Glenda S. Bone
Non-Public Arbitrator

3/12/04
Signature Date

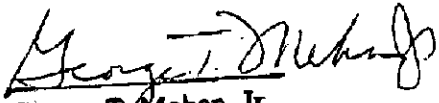
3/12/04
Date of Service (For NASD Dispute Resolution office use only)

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George T. Mehan, Jr.
Public Arbitrator, Presiding Chairperson

March 12, 2004
Signature Date

Mark R. Lee
Public Arbitrator

Signature Date

Glenda S. Bone
Non-Public Arbitrator

Signature Date

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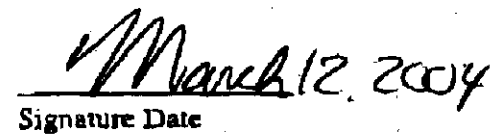
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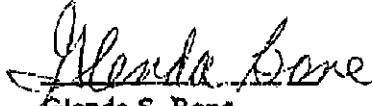
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Signature Date



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