

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jon and Charlene Scott (Claimants) v. Edward D. Jones & Co. and Brian A. Kljun (Respondents)

Case Number: 03-02445

Hearing Site: Cleveland, Ohio

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Jon Scott ("J. Scott") and Charlene Scott ("C. Scott") hereinafter collectively referred to as "Claimants": Andrew J. Stoltmann, Esq., Stoltmann Law Offices, P.C., Chicago, IL. Previously represented by: Andrew J. Stoltmann, Esq., Maddox Hargett & Caruso, P.C., Chicago, IL.

Respondents Edward D. Jones & Co. ("Edward Jones") and Brian A. Kljun ("Kljun") hereinafter collectively referred to as "Respondents": William J. Travis, Esq., previously Wendy S. Menghini, Esq., Greensfelder, Hemker & Gale, P.C., St. Louis, MO and Walter A. Rodgers, Esq. and Kathryn A. Kerka, Esq., Rodgers and Co., L.P.A., Cleveland, OH.

CASE INFORMATION

Statement of Claim filed on or about: April 3, 2003.

Claimants signed the Uniform Submission Agreement: March 14, 2003.

Joint Statement of Answer filed by Respondents on or about: May 28, 2003.

Motion to Dismiss Claims Related to Accounts Held by Jon Scott, Jr. filed by Respondent Edward Jones on or about: May 28, 2003.

Respondent Edward Jones signed the Uniform Submission Agreement: April 14, 2003.

Respondent Kljun signed the Uniform Submission Agreement: May 28, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: state securities law violations; violations of Sections 2310, 2110, 2120, 3010 Conduct Rules of the NASD; breach of contract; common law fraud and misrepresentations; breach of fiduciary duty and constructive fraud; respondeat superior; negligence and negligent supervision. The causes of action relate to unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$154,842.00; interest as provided by the Ohio Securities Act; disgorgement of illicitly generated commissions; recovery of the margin interest charged in the amount of \$47,992.00; the guaranteed amount of monthly payments J. Scott would have received in workman's compensation over a period of time to be determined by the Panel; attorneys' fees and costs, including but not limited to experts witness fees, expenses, and accounting fees; pre and post award interest at the statutory rate; and punitive damages.

Respondents requested that Claimants' claims be dismissed in their entirety.

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, and 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 Jones is solely liable for and shall pay to Claimant C. Scott compensatory damages in the amount of \$23,256.22.
2. Respondent Edward Jones is solely liable for and shall pay to Claimants the sum of \$300.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.
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 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 person at the time of the events giving rise to the dispute. Accordingly, Edward D. Jones & Co. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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 @ \$1,125.00 = \$1,125.00

Pre-hearing conference: September 29, 2003 1 session

Five (5) Hearing sessions @ \$1,125.00 = \$5,625.00

Hearing Dates:	April 5, 2005	2 sessions
	April 6, 2005	2 sessions
	April 7, 2005	1 session

Total Forum Fees = \$6,750.00

1. The Panel has assessed \$6,750.00 of the forum fees against Respondent Edward Jones.

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 1,425.00
Refund Due Claimants	= \$ 1,125.00

As stated in the "Award" section above, Respondent Edward Jones is liable for and shall reimburse Claimants for the \$300.00 filing fee.

2. Respondent Edward Jones is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 6,750.00
Total Fees	= \$11,950.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 6,750.00

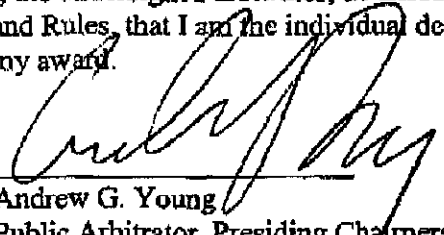
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Andrew G. Young	-	Public Arbitrator, Presiding Chairperson
Edward F. Siegel, Esq.	-	Public Arbitrator
Truman M. Hogan	-	Non-Public 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.



Andrew G. Young
Public Arbitrator, Presiding Chairperson

4-20-05

Signature Date

Edward F. Siegel, Esq.
Public Arbitrator

Signature Date

Truman M. Hogan
Non-Public Arbitrator

Signature Date

April 21, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Andrew G. Young
Public Arbitrator, Presiding Chairperson

Edward F. Siegel, Esq.
Public Arbitrator

Signature Date

Signature Date

Truman M. Hogan
Non-Public Arbitrator

Signature Date

April 21, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Edward F. Siegel, Esq.	-	Public Arbitrator
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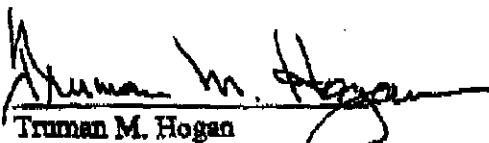
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Andrew G. Young
Public Arbitrator, Presiding Chairperson

Signature Date

Edward F. Siegel, Esq.
Public Arbitrator

Signature Date



Truman M. Hogan
Non-Public Arbitrator

4/18/05

Signature Date

April 21, 2005
Date of Service (For NASD Dispute Resolution use only)