

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

Wallace Kleven and David Kleven

v.

03-03422

Minneapolis, Minnesota

Respondents

Edward D. Jones & Company and Joseph D. Farrell

Nature of Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Wallace Kleven and David Kleven ("Claimants") were represented by Sidney J. Spaeth, Esq., of Vogel, Weir, Hunke & McCormick, LTD, Fargo, North Dakota.

Edward D. Jones & Company ("Edward Jones") and Joseph D. Farrell ("Farrell"), hereinafter referred to as ("Respondents"), were represented by Bradford B. Lear, Esq., of Greensfelder, Hemker & Gale, PC, St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about May 6, 2003. Submission Agreements of Claimants were signed on or about March 31, 2003.

A Joint Statement of Answer was filed by Respondents Edward D. Jones & Company and Joseph D. Farrell on or about August 8, 2003. Submission Agreement of Respondent Edward D. Jones & Company was signed on or about May 21, 2003.

CASE SUMMARY

Claimants asserted causes of action including the following: violations of Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, and violations of North Dakota Century Code Sections 10-04-15, 10-04-17 and 09-10-03. The causes of action related to Claimants' allegation that Respondents made unsuitable recommendations to purchase preferred stock in Consecro, Inc., that Respondents assured Claimants it was a safe and risk-free investment. Claimants further alleged that Respondents failed to disclose the financial troubles of Consecro and urged them to hold the stocks until NYSE suspended trading and Consecro filed for bankruptcy.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimants failed to state a claim upon which relief can be granted; Claimants were on notice of, understood and assumed the risks associated with their investment transactions and therefore, are barred from recovering any alleged losses resulting from such transactions; Claimants ratified the transactions and activity that took place in their accounts and, therefore, are barred from recovering any alleged losses resulting from such transactions; and at all times, Respondent Edward Jones had reasonable and adequate supervisory mechanisms and safeguards in place and acted in accordance with these procedures.

RELIEF REQUESTED

Claimants requested an award in the amount of \$78,000 in actual damages, plus commission and interest. Claimants also requested costs, attorney's fees and any other relief the Panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Joseph D. Farrell did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement 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 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 NASD Dispute Resolution ("NASD").

AWARD

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

1. Claimants' claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
2. 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; and

3. 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 attorneys' fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 225

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 & Company.

Member surcharge = \$ 1,100

Pre-hearing process fee = \$ 750

Hearing process fee = \$ 1,700

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

One (1) Pre-hearing session with Panel x \$ 750 = \$ 750

Pre-hearing conference: 12/17/2003 1 session

Two (2) Hearing sessions with Panel x \$ 750 = \$ 1,500

Hearing Date: 03/24/2004 2 sessions

Total Forum Fees = \$ 2,250

The Arbitration Panel has assessed \$ 1,125 of the forum fees jointly and severally to Wallace Kleven and David Kleven.

The Arbitration Panel has assessed \$ 1,125 of the forum fees jointly and severally to Edward D. Jones & Company and Joseph D. Farrell.

Fee Summary

Claimants, Wallace Kleven and David Kleven, are jointly and severally liable for:

Initial Filing Fee	= \$ 225
<u>Forum Fees</u>	<u>= \$ 1,125</u>
Total Fees	= \$ 1,350
<u>Less payments</u>	<u>= \$ 975</u>
Balance Due NASD Dispute Resolution	= \$ 375

Respondent, Edward D. Jones & Company, is liable for:

<u>Member Fees</u>	<u>= \$ 3,550</u>
Total Fees	= \$ 3,550
<u>Less payments</u>	<u>= \$ 3,500</u>
Balance Due NASD Dispute Resolution	= \$ 0

Respondents, Edward D. Jones & Company and Joseph D. Farrell, are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 1,125</u>
Total Fees	= \$ 1,125
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution	= \$ 1,125

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

ARBITRATION PANEL

N. Dean Leininger - Public Arbitrator, Presiding Chair
Leo G. Stern, Esq. - Public Arbitrator
Karen L. Sandefur, Esq.- Non-Public Arbitrator

Concurring Arbitrators:

N. Dean Leininger
Public Arbitrator, Presiding Chair

Signature Date

Leo G. Stern, Esq.
Public Arbitrator

Signature Date

Karen L. Sandefur, Esq.
Non-Public Arbitrator

Signature Date

4/6/04
Date of Service (NASD use only)

ARBITRATION PANEL

N. Dean Leininger - Public Arbitrator, Presiding Chair
Leo G. Stern, Esq. - Public Arbitrator
Karen L. Sandefur, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

H. Dean Leininger

N. Dean Leininger
Public Arbitrator, Presiding Chair

4/2/04

Signature Date

Leo G. Stern, Esq.
Public Arbitrator

Signature Date

Karen L. Sandefur, Esq.
Non-Public Arbitrator

Signature Date

4/6/01

Date of Service (NASD use only)

NASD Dispute Resolution
Arbitration No. 03-03422
Award Page 5 of 5

ARBITRATION PANEL

N. Dean Leininger - Public Arbitrator, Presiding Chair
Leo G. Stern, Esq. - Public Arbitrator
Karen L. Sandefur, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

N. Dean Leininger
Public Arbitrator, Presiding Chair

Signature Date

~~Leo G. Stern~~
Leo G. Stern, Esq.
Public Arbitrator

April 1, 2004
Signature Date

Karen L. Sandefur, Esq.
Non-Public Arbitrator

Signature Date

4/6/04
Date of Service (NASD use only)

ARBITRATION PANEL

N. Dean Leininger - Public Arbitrator, Presiding Chair
Leo G. Stern, Esq. - Public Arbitrator
Karen L. Sandefur, Esq. - Non-Public Arbitrator

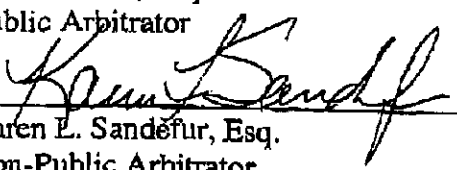
Concurring Arbitrators:

N. Dean Leininger
Public Arbitrator, Presiding Chair

Signature Date

Leo G. Stern, Esq.
Public Arbitrator

Signature Date



Karen L. Sandefur, Esq.
Non-Public Arbitrator

4/2/04

Signature Date

4/6/04

Date of Service (NASD use only)