

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Solomon R. Brown
Dorothy S. Brown

Case Number: 03-05125

Name of the Respondent

Edward D. Jones & Co.

Hearing Site: Raleigh, NC

Name of the Third-Party Respondent

Shawn Davis

Nature of the Dispute: Customers v. Member.

REPRESENTATION OF PARTIES

Claimants, Solomon R. Brown and Dorothy S. Brown, hereinafter collectively referred to as "Claimants", were represented by L. Bruce McDaniel, Esq. and Dick Heidgard, Esq., McDaniel & Anderson, LLP, Raleigh, North Carolina.

Respondent, Edward D. Jones & Co. ("Edward Jones"), was represented by Wendy S. Menghini, Esq., Greensfelder, Hemker & Gale, P.C., St. Louis, Missouri.

Third-Party Respondent, Shawn Davis ("Davis"), was represented by Samuel T. Currin, Esq., Currin Law Firm, PLLC, Raleigh, North Carolina.

CASE INFORMATION

Statement of Claim filed on July 14, 2003.

Amended Statement of Claim filed on August 21, 2003.

Claimants signed the Uniform Submission Agreement on July 9, 2003.

Statement of Answer and Third-Party claim filed by Respondent on September 22, 2003.

A representative of Respondent Edward Jones signed the Uniform Submission Agreement on July 21, 2003.

Third-Party Respondent did not file a Statement of Answer to the Third-Party claim nor a Uniform Submission Agreement with NASD Dispute Resolution.

CASE SUMMARY

In their Statement of Claim and Amended Statement of Claim, Claimants asserted the following causes of action, among others: failure to disclose material information, conversion, failure to supervise, fraud, violations of various state laws, negligence, and breach of fiduciary duty. The

causes of action relate to the purchase and sale of various unspecified securities.

Unless specifically admitted in its Answer, Respondent Edward Jones denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants' claims are barred by the doctrines of unclean hands, waiver, and release; authorization; ratification; contributory/comparative negligence; failure to mitigate damages; and Claimants' claims are barred by the statute of limitations.

Respondent Edward Jones, in its Third-Party claim against Third-Party Respondent Davis, asserted a cause of action for indemnification.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$ 163,730.00
Punitive Damages	\$ 460,000.00
Attorney's Fees	amount unspecified
Other Costs	amount unspecified

In its Third-Party claim, Respondent Edward Jones requested:

Compensatory Damages	\$ 163,730.00
Punitive Damages	\$ 460,000.00
Other Costs	amount unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Third-Party Respondent Davis 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 appeared and testified at the hearing, is bound by the determination of the Arbitration Panel (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. Respondent Edward Jones is liable to and shall pay to Claimants the sum of \$66,800.00 in compensatory damages;
2. Third-Party Respondent Davis is liable to and shall pay to Respondent Edward Jones the sum of \$66,800.00 in compensatory damages;

3. Respondent Edward Jones and Third-Party Respondent Davis are jointly and severally liable to and shall pay to Claimants the sum of \$375.00 in reimbursement for the initial-claim filing fee;
4. The parties shall bear their respective costs except as awarded above and as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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	= \$ 375.00
Third-Party claim filing fee	= \$ 1,250.00

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, Respondent Edward Jones is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), 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 session with Panel @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conferences: February 23, 2004	1 session

Five (5) Hearing sessions @ \$ 1,200.00	= \$ 6,000.00
Hearing Dates: October 13, 2004	2 sessions
October 14, 2004	2 sessions
October 15, 2004	1 session

Total Forum Fees	= \$ 7,200.00
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The Panel has assessed \$ 7,200.00 of the forum fees jointly and severally to Respondent Edward Jones and Third-Party Respondent Davis.

Fee Summary

1. Claimants are assessed and shall pay:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 1,575.00
Refund owed Claimants	= \$ 1,200.00

2. Respondent Edward Jones is assessed and shall pay:

Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,000.00
Total Fees	= \$ 8,250.00
Less payments	= \$ 8,250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Edward Jones and Third-Party Respondent Davis are jointly and severally assessed and shall pay:


Forum Fees	= \$ 7,200.00
Total Fees	= \$ 7,200.00
Less Payments	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 6,000.00

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

ARBITRATION PANEL

Larry J. Dagenhart, Esq.	-	Public Arbitrator, Presiding Chairperson
David J. Anderson	-	Public Arbitrator, Panelist
John D. Robb	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Larry J. Dagenhart, Esq.
Public Arbitrator, Presiding Chairperson

10-20-04
Signature Date

David J. Anderson
Public Arbitrator, Panelist

Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

October 21, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Larry J. Dagenhart, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

David J. Anderson
David J. Anderson
Public Arbitrator, Panelist

October 20, 2004
Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

October 21, 2004

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Concurring Arbitrators' Signatures

Larry J. Dagenhart, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

David J. Anderson
Public Arbitrator, Panelist

Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

10-19-04
Signature Date

October 21, 2004
Date of Service (For NASD Dispute Resolution office use only)