

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Jonnie F. Jones

and

Case Number: 04-02361
Hearing Site: Houston, Texas

Names of Respondents

Edward D. Jones & Company, and
Terrence Patrick Williams

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Jonnie F. Jones ("**Claimant**") was represented by Robert L. Rolnick, Esq., DeGrasse & Rolnick, Houston, Texas.

Edward D. Jones & Company ("**Edward D. Jones**") and Terrence Patrick Williams ("**Williams**"), hereinafter collectively referred to as "Respondents," were represented by William R. Pace, Esq., Pace & Rickey, LLP, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about April 5, 2004. The Submission Agreement of Claimant Jonnie F. Jones was signed on or about March 30, 2004.

The Joint Statement of Answer was filed by Respondents, Edward D. Jones & Company and Terrence Patrick Williams, on or about May 24, 2004. The Submission Agreement of Respondent, Edward D. Jones & Company, was signed on or about April 14, 2004. The Submission Agreement of Respondent, Terrence Patrick Williams, was signed on or about April 20, 2004.

CASE SUMMARY

Claimant asserted the following cause of action: suitability. The cause of action related to the recommendation and purchase of various securities, including but not limited to Cisco Systems, Inc. ("CSCO"), America Online, Inc. ("AOL"), and Oracle Corporation ("ORCL").

Claimant alleged that there was a misuse of margin debt. In addition, that a disproportionate share of Claimant's life savings were invested in equity investments and aggressive individual stock positions, which were not suitable for his investment objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant's contributory negligence bars recovery against Respondents; Claimant ratified all transactions and is estopped by his conduct from complaining at the transactions at issue; Claimant failed to mitigate his damages; Claimant is barred by the statute of limitations; and the alleged damages sustained by Claimant were the result of market forces and/or his own negligence.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$114,419.24
Punitive/Exemplary Damages	Unspecified
Attorneys' Fees	Unspecified
Interest	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, attorneys' fees and to expunge these claims from Respondent Terrence Patrick Williams' CRD record.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) 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.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Terrence Patrick William's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Terrence Patrick Williams, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$ 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. In this matter, the member firm is Edward D. Jones & Company.

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

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 \$1,125.00 = \$ 1,125.00
Pre-hearing conference: August 16, 2004 1 session

Two (2) Hearing sessions x \$1,125.00	= \$ 1,125.00
Hearing Dates: June 21, 2005 2 sessions	
June 22, 2005 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 5,625.00

The Arbitration Panel has assessed \$2,812.50 of the forum fees to Jonnie F. Jones.

The Arbitration Panel has assessed \$2,812.50 of the forum fees jointly and severally to Edward D. Jones & Company and Terrence Patrick Williams.

Fee Summary

Claimant, Jonnie F. Jones, is liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Total Fees	= \$ 3,112.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,112.50

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

<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Edward D. Jones & Company and Terrence Patrick Williams, are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Total Fees	= \$ 2,812.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,812.50

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

ARBITRATION PANEL

Sharon Jeverth Hemphill, Esq. - Public Arbitrator, Presiding Chair
Arno C. Schwethelm - Public Arbitrator
Jeffrey M. Aboloff - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Sharon Jeverth Hemphill, Esq.
Sharon Jeverth Hemphill, Esq.
Public Arbitrator, Presiding Chair

July 1, 2005
Signature Date

/s/ Arno C. Schwethelm
Arno C. Schwethelm
Public Arbitrator

July 1, 2005
Signature Date

/s/ Jeffrey M. Aboloff
Jeffrey M. Aboloff
Non-Public Arbitrator

July 1, 2005
Signature Date

July 1, 2005
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

7-1-05
Signature Date

Arno C. Schwethelm
Public Arbitrator

Signature Date

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Non-Public Arbitrator

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