

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

James P. Nagy

and

Case Number: 05-00266
Hearing Site: Troy, Michigan

Respondent

Edward D. Jones & Co.

NATURE OF DISPUTE

Customer v. Member

REPRESENTATION OF PARTIES

James P. Nagy ("Claimant") was represented by Nicholas P. Iavarone, Esq., and Rosalind M. Robertson, Esq., Simmons Cooper LLC, East Alton, Illinois.

Edward D. Jones & Co. ("Respondent") was represented by Dennis K. Egan, Esq., Butzel Long, Bloomfield Hills, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about January 19, 2005. The Submission Agreement of Claimant was signed on or about December 17, 2004.

The Statement of Answer was filed by Respondent on or about March 14, 2005. The Submission Agreement of Respondent was signed on or about January 27, 2005.

Respondent filed a Motion for Partial Dismissal on or about August 22, 2005. Claimant filed a Response to the Motion on or about September 12, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, breach of contract, violation of the Securities Exchange Act, negligence, violation of the Michigan Uniform Securities Act, and violation of the Michigan Consumer Protection Act. The causes of action related to Claimant's allegations that Respondent did not invest his retirement assets in the conservative investments that Claimant sought, but rather purchased additional highly volatile growth funds without properly diversifying the assets in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to act reasonably to mitigate his damages; Claimant either was aware, or in the exercise of due care, should have been aware of the nature of his investments through Christian Baker and has waived any claim for damages; and Respondent did not breach any standard of care owed to Claimant.

RELIEF REQUESTED

Claimant requested an award in the amount of \$328,517.00 plus interest, costs, punitive damages, and legal fees, and any other relief the panel deemed appropriate.

Respondent requested that the claims asserted against it be dismissed and that Claimant be assessed all forum fees.

OTHER ISSUES CONSIDERED & DECIDED

In its order entered on September 20, 2005, the panel deferred its decision on Respondent's Motion for Partial Dismissal until the hearing. At the hearing, on December 13, 2005, the panel denied Respondent's motion.

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 and the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, Edward D. Jones & Co., is liable for and shall pay to Claimant, James P. Nagy, the sum of \$125,000.00 in compensatory damages;
- 2.) Respondent, Edward D. Jones & Co., is liable for and shall pay to Claimant, James P. Nagy, the sum of \$12,500.00 in interest pursuant to Michigan statute;
- 3.) Respondent, Edward D. Jones & Co., is liable for and shall pay to Claimant, James P. Nagy, the sum of \$18,000.00 in attorneys' fees pursuant to Michigan statute;

- 4.) Respondent, Edward D. Jones & Co., is liable for and shall pay to Claimant, James P. Nagy, the sum of \$5,000.00 in expert witness costs;
- 5.) Respondent, Edward D. Jones & Co., is liable for and shall pay to Claimant, James P. Nagy, the sum of \$300.00 as reimbursement for filing fees retained by NASD Dispute Resolution; and
- 6.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

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. In this matter, the member firm is Edward D. Jones & Co.

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 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 x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: May 13, 2005	1 session

Ten (10) Hearing sessions x \$1,125.00		= \$11,250.00
Hearing Dates:	September 26, 2005	2 sessions
	September 27, 2005	2 sessions
	September 28, 2005	2 sessions
	December 12, 2005	2 sessions
	December 13, 2005	2 sessions
Total Forum Fees		= \$12,375.00

The Arbitration Panel has assessed \$12,375.00 of the forum fees to Edward D. Jones & Co.

Fee Summary

Claimant, James P. Nagy, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Balance Refunded by NASD Dispute Resolution	= \$ 1,125.00

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

Member Fees	= \$ 5,200.00
Forum Fees	= \$12,375.00
Total Fees	= \$17,575.00
Less payments	= \$ 5,950.00
Balance Due NASD Dispute Resolution	= \$11,625.00

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

ARBITRATION PANEL

Martin I. Reisig, Esq. - Public Arbitrator, Presiding Chair
Mark Scarr - Public Arbitrator
James L. Kirkman - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Martin I. Reisig, Esq.
Martin I. Reisig, Esq.
Public Arbitrator, Presiding Chair

12/14/05
Signature Date

/s/ Mark Scarr
Mark Scarr
Public Arbitrator

12/13/05
Signature Date

/s/ James L. Kirkman
James L. Kirkman
Non-Public Arbitrator

12/14/05
Signature Date

12/14/05
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

Signature Date

Mark Scarr
Public Arbitrator

Signature Date



James L. Kirkman
Non-Public Arbitrator

14 Dec 05

Signature Date

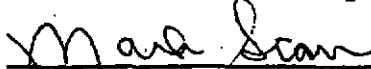
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