

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Mavis L. Walters,

Claimant,

Case Number: 05-00334

v.

Hearing Site: Indianapolis, Indiana

Edward D. Jones & Co. L.P. d/b/a

Edward Jones and Ronald R. Covington,  
Respondents.

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

**REPRESENTATION OF PARTIES**

Mavis L. Walters ("Walters"), hereinafter referred to as "Claimant": David E. Bailey, Esq. of Eilbacher Fletcher, LLP, located in Fort Wayne, Indiana.

Edward D. Jones & Co. L.P. d/b/a Edward Jones ("Edward Jones") and Ronald R. Covington ("Covington"), hereinafter collectively referred to as "Respondents": David J. Simmons, Esq. of Greensfelder, Hemker & Gale, P.C., located in St. Louis, Missouri.

**CASE INFORMATION**

Statement of Claim filed on or about: January 24, 2005

Walters signed the Uniform Submission Agreement: January 18, 2005

Statement of Answer filed by Respondents, Edward Jones and Covington, on or about: April 6, 2005

Respondent Edward Jones signed the Uniform Submission Agreement: February 22, 2005

Respondent Covington signed the Uniform Submission Agreement: March 14, 2005

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitability, negligence and violation of the Indiana Securities Act. The causes of action relate to funds with Hartford Life, specifically, Hartford Advisors Fund, Hartford Stock Fund and Hartford Capital Appreciation Fund. Claimant asserted that these were risky and unsuitable investments that did not meet her financial needs and objectives.

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

1. All claims are barred by the statute of limitations.

2. Claimant authorized and instructed Covington and/or Edward Jones to enter into all of the transactions at issue and therefore, claims based on such transaction should be dismissed.
3. The claims asserted in the Statement of Claim are barred by the doctrines of waiver and release.
4. Claimant ratified all transactions that took place in her account and therefore, Claimant is barred from recovering any alleged losses resulting from such transactions.
5. To the extent that Claimant has suffered any damages, they are the product of the negligent conduct of Claimant such that some or all of her recovery is barred by those contributory or comparative negligence acts.
6. Claimant failed to mitigate her alleged damages and therefore, is barred from recovering any damages to the extent that such damages could have been prevented had she fulfilled her duty to mitigate.
7. Claimant fails to allege any wrongful conduct on the part of Mr. Covington and/or Edward Jones in connection with a specific investment transaction and therefore, Claimant fails to state a claim against Mr. Covington and/or Edward Jones.

### **RELIEF REQUESTED**

Walters requested \$40,000.00 in compensatory damages, plus 8% interest and attorney's fees.

Respondents, Edward Jones and Covington, requested that all claims asserted against them in the Statement of Claim be dismissed in their entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

At the hearing of this matter, Claimant amended her request for compensatory damages to the amount of \$48,864.82.

### **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 D. Jones & Co., L.P. d/b/a Edward Jones, is solely liable for and shall pay to Claimant, Mavis Walters, the sum of \$6,108.10 as compensatory damages.
2. Respondent, Ronald R. Covington, is solely liable for and shall pay to Claimant, Mavis Walters, the sum of \$18,324.31 as compensatory damages.
3. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
4. 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	= \$ 175.00
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### **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. L.P. d/b/a Edward Jones is a party to this proceeding and is assessed the following fees:

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a *discovery-related motion on the papers*. 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 @ \$600.00	= \$ 600.00
Pre-hearing conference: June 20, 2005 1 session	

Two (2) Hearing sessions @ \$600.00	= \$1,200.00
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Hearing Date: March 28, 2006 2 sessions	
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Total Forum Fees	= \$1,800.00
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1. The Panel has assessed \$600.00 of the forum fees solely to Claimant Mavis Walters.
2. The Panel has assessed \$600.00 of the forum fees solely to Respondent Edward Jones.
3. The Panel has assessed \$600.00 of the forum fees solely to Respondent Ronald R. Covington.

### **Fee Summary**

1. Claimant, Mavis Walters, is solely liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 775.00
Less payments	= \$ 775.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent, Ronald R. Covington, is solely liable for:

Forum Fees	= \$ 600.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 600.00

3. Respondent, Edward D. Jones & Co., L.P. d/b/a Edward Jones, is solely liable for:

Member Fees	= \$2,625.00
Forum Fees	= \$ 600.00
Total Fees	= \$3,225.00
Less payments	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 600.00

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

**ARBITRATION PANEL**

Janis B. Funk, Esq.	-	Public Arbitrator, Presiding Chairperson
Richard A. Van Kalker, Esq.	-	Public Arbitrator
Kathy J. Birk	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ Janis B. Funk, Esq.  
Janis B. Funk, Esq.  
Public Arbitrator, Presiding Chairperson

3/29/06  
Signature Date

/s/ Richard A. Van Kalker, Esq.  
Richard A. Van Kalker, Esq.  
Public Arbitrator

3/29/06  
Signature Date

/s/ Kathy J. Birk  
Kathy J. Birk  
Non-Public Arbitrator

3/30/06  
Signature Date

3/3/0/06  
Date of Service (For NASD Dispute Resolution use only)

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Signature Date

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Arbitration No. 05-00334  
Award Page 4 of 4

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Janis B. Funk, Esq.  
Public Arbitrator, Presiding Chairperson

March 29, 2006  
Signature Date

Richard A. Van Kalker, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

Kathy J. Birk  
Non-Public Arbitrator

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