

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Janet Cox,

Case Number: 05-01886

Claimant,

Hearing Site: St. Louis, Missouri

v.

Edward D. Jones & Co. and Donna J. Domian,
Respondents.

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

REPRESENTATION OF PARTIES

Janet Cox ("Cox"), hereinafter referred to as "Claimant": John A. Dienner, III, Esq. of the law firm Kubasiak, Fylstra, Reizen & Rotunno, P.C., located in Chicago, Illinois.

Edward D. Jones & Co. ("Edward Jones") and Donna J. Domian ("Domian"), hereinafter collectively referred to as "Respondents": M. Jane Matoesian, Esq. of the law firm Greensfelder, Hemker & Gale, located in St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: April 11, 2005

Cox signed an undated Uniform Submission Agreement.

Statement of Answer filed by Respondents, Edward D. Jones & Co., on or about: July 15, 2005

Respondent Edward Jones signed the Uniform Submission Agreement: June 1, 2005

Respondent Domian signed the Uniform Submission Agreement: June 6, 2005

Respondents' Motion to Dismiss filed on: January 24, 2006

Claimant's Response to Motion to Dismiss filed on: February 2, 2006

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, negligence, failure to supervise. The causes of action relate to Procter & Gamble stock, Putnam and Goldman Sachs mutual funds, Hartford and Anchor National Life variable annuities, and an FHLMC bond. Claimant asserted that these were unsuitable investments to Claimant's financial needs and objectives.

Unless specifically admitted in his/her/its/their Answer, Respondents, Edward Jones and Domian, 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 Ms. Domian and/or Edward Jones to enter into all of the transactions at issue and therefore, claims based on such transactions should be dismissed.
3. The claims asserted in the Statement of Claim are barred by the doctrines of waiver and release.
4. The claims asserted in the Statement of Claim are barred by the bespeaks caution doctrine.
5. Claimant ratified all transactions that took place in her account and therefore, Claimant is barred from recovering any alleged losses resulting from such transactions.
6. 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.
7. 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.
8. Claimant fails to allege any wrongful conduct on the part of Ms. Domian and/or Edward Jones in connection with a specific investment transaction and therefore, Claimant fails to state a claim against Ms. Domian and/or Edward Jones.
9. To the extent Claimant bases her claims or purports to base her claims on NASD or NYSE rules, such rules do not provide for a private cause of action in favor of Claimant and therefore, such claims should be dismissed.
10. At all times relevant herein, Edward Jones maintained adequate supervisory mechanisms and safeguards governing the actions of its investment representatives, including Ms. Domian and, at all times relevant herein, reasonably executed these procedures. Accordingly, Edward Jones is not liable for the losses Claimant allegedly incurred and such claims should be dismissed as against Edward Jones.
11. The Missouri Consumer Fraud Act does not apply to this case and, accordingly, Claimant's claims based on the Missouri Consumer Fraud Act should be dismissed.

RELIEF REQUESTED

Cox requested \$450,000.00 in compensatory damages; punitive damages; prejudgment interest, costs, reasonable attorney's fees and such other relief as the Panel deems just and proper.

Respondents, Edward Jones and Domian, requested that the claims asserted against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

A telephonic pre-hearing conference was held on February 10, 2006 on Respondents' Motion to Dismiss. After hearing arguments made by both parties, the Panel denied Respondents' motion.

At the close of Claimant's case, Respondents made an oral Motion for Dismissal/Motion for Directed Verdict. After hearing the parties' arguments, Respondents' motion was granted in part and denied in part.

The motion was granted with regards to the following: Count II of the Statement of Claim – Missouri Consumer Fraud Act; Count III of the Statement of Claim – Common Law Fraud; Count I of the Statement of Claim – Section 10(b)(5) of the Securities and Exchange Act solely

in regards to Claimant's Procter & Gamble stock; and Claimant's prayer for punitive damages.

Motion was denied with regards to the following: Count I of the Statement of Claim – Section 10(b)(5) of the Security and Exchange Act in regards to holdings other than Procter & Gamble stock in Claimant's IRA account; Count IV of the Statement of Claim – Negligent Supervision; and Count V of Statement of Claim – Common Law Negligence.

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. Any and all claims asserted by Claimant, Janet Cox, are denied.
2. Respondents' request for expungement of Donna J. Domian's registration records maintained by the NASD Central Registration Depository ("CRD") is denied.
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 = \$ 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. Accordingly, Edward D. Jones & Co. is a party to this proceeding and is assessed the following:

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

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:

Five (5) Decisions on discovery-related motions on the papers
with (1) one arbitrator @ \$200.00 = \$ 1,000.00
Claimant submitted three (3) discovery-related motions
Respondent submitted one (2) discovery-related motion

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00

Pre-hearing conference:	January 18, 2006	1 session	
Two (2) Pre-hearing sessions with Panel @ \$1125.00			= \$ 2,250.00
Pre-hearing conferences:	September 26, 2005	1 session	
	February 10, 2006	1 session	
Seven (7) Hearing sessions @ \$1,125.00			= \$ 7,875.00
Hearing Dates:	February 22, 2006	3 sessions	
	February 23, 2006	2 sessions	
	February 24, 2006	2 sessions	
Total Forum Fees			= \$11,575.00

1. The Chairman of the Panel has assessed forum fees for the paper decisions related to Claimant's Second Motion to Compel filed December 27, 2005; Claimant's Motion for Reconsideration filed December 27, 2005; and Respondents' Motion to Compel Medical Records filed February 13, 2006 in the amount of \$600.00 solely to Claimant Janet Cox.
2. The Chairman of the Panel has assessed forum fees for the paper decisions related to Claimant's Motion to Compel filed December 2, 2005 and Respondents' Motion to Compel filed December 27, 2005 in the amount of \$400.00 to be split equally by Claimant Janet Cox and Respondents, Edward D. Jones & Co. and Donna J. Domian.
3. The Panel has assessed all other forum fees in the amount of \$10,575.00 jointly and severally to Respondents, Edward D. Jones & Co. and Donna J. Domian.

Fee Summary

1. Claimant, Janet Cox, is solely liable for:

Forum Fees (for paper decisions related to discovery)	= \$ 800.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 800.00
2. Respondent, Edward D. Jones & Co., is solely liable for:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents, Edward D. Jones & Co. and Donna J. Domian, are jointly and severally liable for:

Forum Fees (incl. paper decisions related to discovery)	= \$10,775.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$10,775.00

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

ARBITRATION PANEL

Richard A. Van Kalker, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert J. Gryzmala, Esq.	-	Public Arbitrator
M. Eileen Dorsey, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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

3/8/06
Signature Date

/s/ Robert J. Gryzmala, Esq.
Robert J. Gryzmala, Esq.
Public Arbitrator

3/8/06
Signature Date

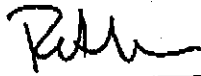
/s/ M. Eileen Dorsey, CFP
M. Eileen Dorsey, CFP
Non-Public Arbitrator

3/8/06
Signature Date

3/8/06
Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
Arbitration No. 05-01886
Award Page 3 of 5

Concurring Arbitrators' Signatures



Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chairperson

3/8/06
Signature Date

Robert J. Gryzmala, Esq.
Public Arbitrator

Signature Date

M. Eileen Dorsey, CFP
Non-Public Arbitrator

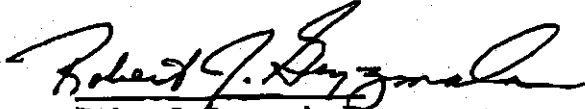
Signature Date

Date of Service (For NASD Dispute Resolution use only)

Concurring Arbitrators' Signatures

Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Robert J. Gryzmala, Esq.
Public Arbitrator

Signature Date

March 8, 2006

M. Eileen Dorsey, CFP
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
Arbitration No. 05-01886
Award Page 3 of 5


Concurring Arbitrators' Signatures

Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert J. Gryzmala, Esq.
Public Arbitrator

Signature Date


M. Eileen Dorsey, CFP
Non-Public Arbitrator

3/8/06
Signature Date

Date of Service (For NASD Dispute Resolution use only)