

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

James R. Chamness, Claimant v. Edward D. Jones & Co., Respondent

Case Number: 05-02005

Hearing Site: San Diego, California

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Sean M. Keane, Esq.
Simmons Cooper LLC
East Alton, Illinois

For Respondent:

David J. Simmons, Esq.
Greensfelder, Hemker
& Gale, P.C.
St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed: April 15, 2005

Claimant's Uniform Submission Agreement signed: April 12, 2005

Statement of Answer filed by Respondent: June 9, 2005

Respondent's Uniform Submission Agreement signed: April 26, 2005

CASE SUMMARY

Claimant alleged breach of contract, breach of fiduciary duty, unsuitability, violation of federal and state securities laws, and failure to supervise. Claimant's allegations involve transactions in his IRA account and relate to Respondent's alleged advice that Claimant purchase of 1,000 shares of Amtel, 740 shares of Conexant Systems, and place the remaining funds in the account in a Putnam variable annuity.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$240,000.00 in compensatory damages, unspecified punitive damages, pre-judgment interest at the rate of 12% per annum, and attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On May 5, 2006, Respondent filed a Motion to Dismiss Claimant's Claims for Violation of the Utah Consumer Sales Practices Act and the Utah Securities Act. Claimant filed a response in opposition to the motion on May 15, 2006. On May 30, 2006, a telephonic pre-hearing conference was held, attended by Sean Keene, Esq. on behalf of Claimant, David J. Simmons, Esq. on behalf of Respondent, and the Panel. After due deliberation, the Panel granted Respondent's motion with respect to Claimant's claims for violation of the Utah Deceptive Trade Practices Act and denied without prejudice Respondent's motion with respect to Claimant's claims for violation of Utah's Securities Act.

During the hearing, Respondent moved the Panel to dismiss Claimant's claim of violation of the Utah Securities Act based on the running of the applicable Statute of Limitations. After due deliberation, the Panel granted the motion.

During the hearing, Respondent moved the Panel to dismiss Claimant's claim of violation of 10(b) of the Federal Securities Act. After due deliberation, the Panel granted the motion.

During the hearing, Respondent moved the Panel to dismiss Claimant's claim of violation of RICO. After due deliberation, the Panel granted the motion.

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, testimony, evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent is liable to and shall pay Claimant the sum of \$109,151.00 in compensatory damages.
- 2) Respondent is liable to and shall pay Claimant the sum of \$1,765.00 as reimbursement for expert witness fees.
- 3) Except as awarded above, the parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied, including Claimant's request for punitive damages.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Edward D. Jones & Co. is a party and the following fees are assessed:

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Forum Fees and Assessments

The Panel 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 arbitrator(s), including a pre-hearing conference, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Decision on discovery-related motion on the papers with a single arbitrator @ \$200.00/decision			= \$ 200.00
Respondent submitted one (1) discovery-related motion			
Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session			= \$2,250.00
Pre-hearing conferences:	July 28, 2005	1 session	
	May 30, 2006	1 session	
Five (5) Hearing sessions @ \$1,125.00/session			= \$5,625.00
Hearings:	June 20, 2006	2 sessions	
	June 21, 2006	2 sessions	
	June 22, 2006	1 session	
Total Forum Fees			= \$8,075.00

The Panel assessed the entire balance of the forum fees, in the amount of \$8,075.00, to the Respondent.

Fee Summary

1. Claimant James R. Chamness is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Less payments	= \$ (1,575.00)
Refund Due from NASD Dispute Resolution	= \$ (1,275.00)
2. Respondent Edward D. Jones & Co. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 8,075.00
Total Fees	= \$13,275.00
Less payments	= \$ (5,200.00)
Balance Due NASD Dispute Resolution	= \$ 8,075.00

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

ARBITRATION PANEL

Nyle G. Barnes, Esq.
Raymond L. Betts, Esq.
James D. Searles

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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Nyle G. Barnes, Esq.
Chair, Public Arbitrator

8.11.2006
Signature Date

Raymond L. Betts, Esq.
Public Arbitrator

Signature Date

James D. Searles
Non-Public Arbitrator

Signature Date

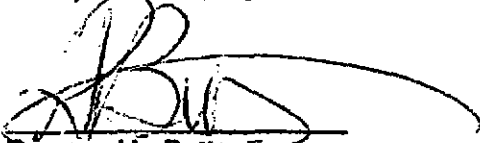
8/11/06
Date of Service

ARBITRATION PANEL

Nyle G. Barnes, Esq.	-	Public Arbitrator, Presiding Chair
Raymond L. Betts, Esq.	-	Public Arbitrator
James D. Searles	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Nyle G. Barnes, Esq.
Chair, Public Arbitrator


Raymond L. Betts, Esq.
Public Arbitrator

Signature Date

8/11/06
Signature Date

James D. Searles
Non-Public Arbitrator

Signature Date

8/11/06
Date of Service