

NASD DISPUTE RESOLUTION

IN THE MATTER OF THE ARBITRATION BETWEEN:

JUDY SCHABEN, individually and f/b/o
STEPHANIE HAMMOND, REED HAMMOND and
WILLIAM SCHABEN, individually,

Claimants,

v.

EDWARD D. JONES & CO., L.P. and CURTIS LONG,

Respondents.

Case Number: 05-03338

Hearing Site: Wichita, Kansas

Nature of Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Claimants' Counsel: Susan Schrag, Esq, Morris, Laing, et al., Wichita, Kansas.

Respondents' Counsel: Sandra Gallini, Esq., Greensfelder, Hemker & Gale, P.C., St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed on or about: June 29, 2005.

Claimants signed the Uniform Submission Agreement: June 13, 2005.

Statement of Answer filed by Respondents, on or about: August 24, 2005.

Respondent Edward Jones & Co. signed the Uniform Submission Agreement: July 8, 2005.

Respondent Curtis Long signed the Uniform Submission Agreement: August 29, 2005.

CASE SUMMARY

Claimants asserted the following causes of action:

1. Violations of the Kansas Securities Act;
2. Violations of the NASD Rules of Fair Practice, including Suitability and Failure to Supervise on the part of Respondent Edward Jones;
3. Common Law Fraud;

4. Breach of Fiduciary Duty;
5. Unauthorized Trading; and
6. Lack of Suitability.

The causes of action relate to the Preferred Funds set forth in Exhibit A to Statement of Claim.

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

RELIEF REQUESTED

Claimants requested:

Compensatory Damages, including interest and commissions	\$48,731.00
Punitive Damages	Unspecified
Attorneys' Fees	\$32,487.00
Other Costs	\$ 975.00

Respondents requested:

Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary/Non-Monetary Relief, if any	Denial and Dismissal of Claims

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Edward D. Jones & Co., L.P. and Curtis Long are jointly and severally liable for and shall pay to Claimant Reed Hammond the sum of \$6,246.22 as compensatory damages.
2. Respondents Edward D. Jones & Co., L.P. and Curtis Long are jointly and severally liable for and shall pay to Claimant Reed Hammond the sum of \$2,498.49 as attorneys' fees. In deciding to award attorneys' fees, the Arbitrator considered the arguments of counsel and the pleadings, and determined that authority existed for an award of attorneys' fees to the Claimants.

3. Respondents Edward D. Jones & Co., L.P. and Curtis Long are jointly and severally liable for and shall pay to Claimant Stephanie Hammond the sum of \$10,273.82 as compensatory damages.
4. Respondents Edward D. Jones & Co., L.P. and Curtis Long are jointly and severally liable for and shall pay to Claimant Stephanie Hammond the sum of \$4,109.20 for attorneys' fees. In deciding to award attorneys' fees, the Arbitrator considered the arguments of counsel and the pleadings, and determined that authority existed for an award of attorneys' fees to the Claimants.
5. The parties shall bear their own costs of arbitration, including any additional attorneys' fees, except for those sums specifically enumerated in this decision.

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
--------------------------	-------------

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 event giving rise to the dispute. Accordingly, Edward D. Jones & Co., L.P. is a party and the following member fees are assessed:

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

Forum Fees and Assessments

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

Two (2) Pre-hearing sessions with a single arbitrator @ \$450	= \$ 900.00
--	-------------

Pre-hearing conferences:

December 21, 2005 1 session

April 13, 2006 1 session

Seven (7) Hearing sessions @ \$450 = \$ 3,150.00

Hearing Dates:

May 30, 2006 1 session

May 31, 2006 2 sessions

June 1, 2006 2 sessions

June 26, 2006 2 sessions

Total Forum Fees = \$ 4,050.00

The Arbitrator has assessed \$1,012.50 of the forum fees jointly and severally, to the Claimants, Judy Schaben, and William Schaben. In addition, the Arbitrator has assessed the remaining \$3,037.50 in forum fees, jointly and severally, to the Respondents, Edward D. Jones & Co., L.P. and Curtis Long.

FEE SUMMARY

Claimants Judy Schaben and William Schaben, are jointly and severally liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 1,012.50
Total Fees	= \$ 1,187.50
Less payments	= \$ 625.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

Member Fees	= \$ 2,625.00
Less payments	= \$ 2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Edward D. Jones & Co., L.P. and Curtis Long are jointly and severally liable for:

Forum Fees	= \$ 3,037.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,037.50

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

ARBITRATION PANEL

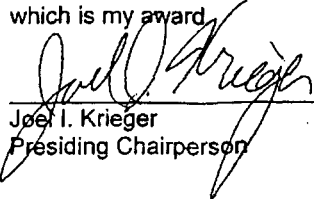
Joel I. Krieger - Public Arbitrator, Presiding Chairperson

NASD Dispute Resolution
Arbitration No. 05-03338
Award Page 5

ARBITRATOR'S SIGNATURE

Joel I. Krieger, Presiding Chairperson

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this which is my award.



Joel I. Krieger
Presiding Chairperson

8/17/06
Signature Date

8/17/06 U/m
Date of Service (For NASD Dispute Resolution office use only)