

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between

DOROTHY B. JESSEE

Claimant

NASD No. 88-01032

v.
EDWARD D. JONES & CO., INC.

Respondent

CASE SUMMARY

Claimant Dorothy B. Jessee ("Jessee") alleged that the Respondent Edward D. Jones ("Jones") engaged in the following:

1. Misrepresented or failed to state certain material facts regarding the risks and other terms of the Petro Lewis and NRM Oil and Gas partnerships and the D.J. Baldwin Debentures;
2. Failed to explain the actual return on investment she was receiving on the Appalachian Power Company First Mortgage Bonds;
3. From September of 1981 to November of 1983, purchased securities for her account which were risky, speculative, and unsuitable for her account;
4. Failed to properly deliver the prospectus for certain securities, and the Petro Lewis prospectus omitted material facts;
5. Failed to disclose that partners of Jones had financial interest in NRM 83-A's partnership;
6. Excessively traded Jessee's account.

Respondent denied each claim of the Claimant. Further, Respondent alleged that 1) the D.H. Baldwin claim was barred by a previously class action settlement, 2) Petro Lewis and NRM purchases barred by the statute of limitations under state and federal securities laws as well as NASD regulations, and 3) all securities were sold with full disclosure and were suitable for the Claimant.

RELIEF REQUESTED

Claimant requested damages including interest of \$94,274.62 plus costs and attorney's fees. Respondent requested that the Claimant's claims be dismissed in full.

7/31/89

PROCEDURAL SUMMARY

On March 30, 1988 Jessee filed her Statement of Claim with the NASD. On March 1 and June 30, 1989 the undersigned arbitrators heard the controversy at bar as submitted to arbitration under the uniform submission agreements executed by Dorothy B. Jessee on March 21, 1988 and by Cynthia A. Doria on behalf of Edward D. Jones & Co., Inc. on June 1, 1988. The case was heard at the NASD District Offices in 4 sessions.

AWARD

The arbitration panel, having considered the pleadings, the testimony and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

The panel awards damages of Eleven Thousand Dollars and No Cents (\$11,000.00) to Jessee against Jones. Interest is specifically excluded. Pursuant to Section 43 of the Code of Arbitration Procedure, Jessee is assessed forum costs of \$2,000.00, less \$400.00 previously paid, payable to the NASD through its staff counsel. The parties shall each bear their respective costs including attorney's fees.

ARBITRATORS CONCURRING

S/SPerry L. Taylor, Jr., Esq.
Presiding Chair

S/SJohn W. Jerak, Esq.

S/SMr. Frederick M. Rizzo