

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

William F. Dane

Claimant

vs.

Edward D. Jones &amp; Co.

William Clement

## Respondents

**CASE #91-03611**  
**AWARD**

## CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 15, 1991, Claimant, William F. Dane, who appeared Pro Se, alleged that on May 29, 1991 Respondent William Clement, a registered representative at Edward D. Jones & Co., purchased \$75,000.00 Durham City, North Carolina municipal bonds which were quoted to Claimant at a price of \$100.00 per bond. Claimant further alleged that when he received his account statement from Respondents, Edward D. Jones & Co. and William Clement it stated the purchase price as being \$97.546 per bond, not the \$100.00 per bond price that Claimant paid. Claimant contended that when he contacted Respondent William Clement, he questioned the overcharge in price shown on his statement and was only then informed that the price quoted was an estimation. Claimant further contended that Respondent, William Clement failed to explain the bond pricing, prior to this purchase. Claimant asserted that if he had been informed of the pricing, he would not have purchased the bonds. Claimant further asserted that he should be reimbursed for the difference in the price quoted and the price he paid.

Respondents, Edward D. Jones & Co. and William Clement, by and through their in-house counsel Louis R. Branz, Esq., maintained that Claimant, William F. Dane purchased 75,000 principal face amount of Durham County, North Carolina Jail Facilities and Computer Equipment Financing Bonds due May 1, 2014 and that these bonds carry a coupon rate of 6.625%. Respondent further maintained that Claimant maintained three accounts with Respondent, Edward D. Jones & Co. and a majority of the transactions have been purchases of municipal or tax-free bonds. Respondent contended that this transaction was structured so that Respondents earned 2 1/4% commission on the trade which was well within the "5% policy"

established by the NASD Board of Governors. Respondent further contended that it is the difference between the estimated value of the bonds appearing on Claimant's statement and the price of \$100.00 per bond which is Claimant's alleged cause of damage. Respondents asserted that Respondent, William Clement explained to Claimant how such bonds would be priced thus the difference in the prices is Respondents, Edward D. Jones & Co. and William Clement earnings.

RELIEF REQUESTED

Claimant, William F. Dane requested \$1,840.50 in actual damages.

Respondents, Edward D. Jones & Co. and William Clement requested the claim be denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John F. Snyder, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 11, 1991, by the Respondent, Edward D. Jones & Co. on December 20, 1991 and by Respondent, William Clement on January 23, 1992.

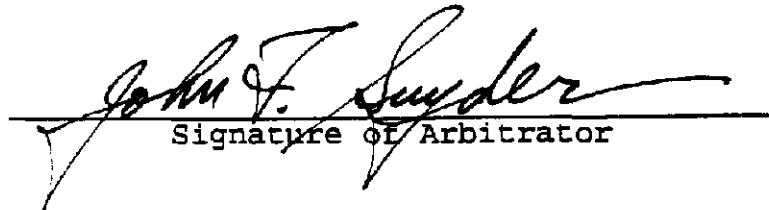
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant, William F. Dane against Respondents, Edward D. Jones & Co. and William Clement are dismissed.
2. The parties shall bear their respective costs.
3. The \$75.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, William F. Dane shall be retained by the NASD, Inc. Respondents, Edward D. Jones & Co. and William Clement shall pay to the Claimant, William F. Dane the sum of \$75.00 as reimbursement.

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AFFIRMATION

I, JOHN F. SNYDER, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
Signature of Arbitrator

DATE OF DECISION: March 26, 1992