

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Barbara E. Monroe

94-02258

Name of Respondents

Edward D. Jones & Co.
Ronald David Bussey
Kenneth William Boyd

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 15, 1994, Claimant Barbara E. Monroe, who appeared Pro Se, alleged that Respondents Ronald Bussey ("Bussey"), Kenneth Boyd ("Boyd") and Edward D. Jones & Co. ("EDJ") breached their fiduciary duties to her and made unauthorized transactions in her account. Claimant further alleged that on January 6, 1994 she deposited \$100,000 with EDJ and Bussey to invest in two mutual funds selected by Bussey, American Funds and Liberty Funds. Claimant contended that Bussey told her that she would be entitled to a reduction on the American Funds sales charges which is known as a breakpoint sale. Claimant further contended that despite repeated requests, EDJ failed to credit her account with breakpoint shares to which she was entitled. Claimant alleged that when she asked for a return of her \$100,000 investment, Respondents sold her funds at market value despite being told not to which has caused her a loss. As a result of the above, Claimant contended that she has suffered damages for which the Respondents should be held liable.

Respondents Ronald Bussey, Kenneth Boyd and Edward Jones & Co., through Edward Jones & Co.'s counsel, Cynthia A. Doria, maintained that they properly discharged their obligations in connection with the purchase and sale of the subject investment to Claimant. Respondents further maintained that on February 15, 1994 it was confirmed that Claimant had not received the breakpoint she was entitled to and on February 16, 1994, Respondent Bussey informed her that it would take two to four weeks to correct the error. Respondents contended that on March 14, 1994, Claimant demanded that her money be returned in full and Bussey explained to her that she owned her investments for two months, and given the commission structure and market fluctuations of a mutual fund, it is unrealistic for her to believe that she will receive exactly what

she invested back. Respondents further contended that Boyd explained to Claimant that this was a long term investment and that she had received prospectuses explaining this as well as information from the broker but Claimant told Bussey to place a sell order on her funds anyway, which was done as of March 16, 1994. Respondents maintained that the breakpoint values were given to her in a timely manner after Respondents received knowledge of the error but this issue coupled with the market correction that occurred shortly after the purchase made Claimant uncomfortable to the point she wanted her money out of the market funds. As a result of the above, Respondents contended that they should not be held liable in this matter.

RELIEF REQUESTED

Claimant Barbara E. Monroe requested \$4,623.75 in actual damages.

Respondents Edward F. Jones & Co., Kenneth Boyd and Ronald Bussey requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Gloria J. Edmonson, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 15, 1994, but not signed by the Respondents Edward D. Jones & Co., Kenneth Boyd and Ronald Bussey as required by Sections 12 & 13 of the NASD, Inc. Code of Arbitration Procedure.

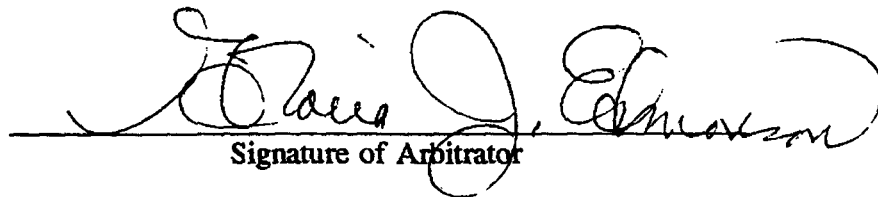
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Ronald Bussey, Kenneth Boyd and Edward D. Jones & Co. are jointly and severally liable and shall pay to Claimant Barbara E. Monroe \$4,623.75 in actual damages.
2. Respondents Ronald Bussey, Kenneth Boyd and Edward D. Jones & Co. are jointly and severally liable and shall pay to Claimant Barbara E. Monroe simple interest at the rate of 10% per annum from January 6, 1994 to February 6, 1995.
3. The parties shall bear their respective costs.

4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondents Ronald Bussey, Kenneth Boyd and Edward D. Jones & Co. are jointly and severally liable and shall pay to Claimant \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **GLORIA J. EDMONSON**, 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 17, 1995