

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Winifred L. Register

95-00260

Name of Respondent

Edward D. Jones & Co.
Chris Cunning

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 17, 1995, Claimant, Winifred L. Register ("Register"), who appeared Pro Se, alleged that Respondent Chris Cunning ("Cunning") the sole representative in the Thousand Oaks, California office of Edward D. Jones & Co. ("Jones"), placed her IRA funds into investments of excessive risk, contrary to her conservative investment objectives, resulting in the loss of approximately 25% of her investment between January and July of 1994. Claimant stated that in April of 1994 she purchased 695 shares of Parallan Computer ("Parallan") at \$12.75 per share at Cunning's recommendation, and that the value of her IRA subsequently declined primarily due to a decline in the price of Parallan. Claimant further alleged that in July of 1994 she attempted to contact Cunning about the decline, and learned that Cunning had left Jones and no replacement representative was available for advice and counseling. Claimant stated that she then contacted another broker-dealer, effected an account transfer, and sold off three stocks and her investment in Putnam Fund at a loss. As a result of the above, the Claimant alleged that she has suffered damages for which the Respondents should be held liable.

Respondents, Edward D. Jones & Co. ("Jones") and Chris Cunning ("Cunning"), through in-house counsel Cynthia A. Doria, Esq., St. Louis, Missouri, maintained that Jones required Cunning to accurately explain the investments to Claimant, and to make reasonable inquiry into Claimant's investment objectives to determine suitability. Respondents further maintained that any attendant risks were either required by Jones to be disclosed by Cunning, or were properly disclosed in the prospectuses and related documents provided to Claimant. Respondents contended that Cunning thoroughly reviewed with Claimant the principle that the securities should be held for the long-term and at the time of the purchases Claimant agreed. Respondents further contended that all of the

stocks recommended to Claimant were strong buy recommendations by either Edward D. Jones' home office or First Boston's research, that the Putnam family of funds has enjoyed a very long track record of excellent performance, and that all securities put into Claimant's account were purchased with her consent. Respondents maintained that Cuning had recommended holding the securities for the long-term and emphatically deny any allegations of churning. Respondents further maintained that it was only after Claimant transferred her account from Edward D. Jones that her securities were sold for a loss, contrary to the recommendations of Respondents. As a result of the above, Respondents contended that they should not be held liable in this matter.

RELIEF REQUESTED

Claimant, Winifred L. Register, requested \$5,454.00 in actual damages.

Respondents, Edward D. Jones & Co. and Chris Cuning, requested that the Statement of Claim be dismissed in its entirety.

AWARD

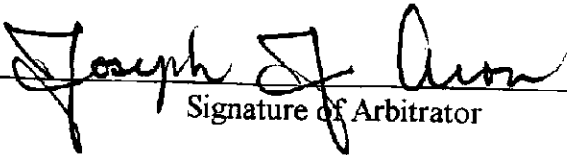
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public Arbitrator, Joseph J. Aron, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 12, 1995, by Respondent Edward D. Jones & Co. on February 22, 1995, and by Respondent Chris Cuning on February 14, 1995.

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, Edward D. Jones & Co. and Chris Cuning, shall be and hereby are, jointly and severally liable for, and shall pay to Claimant, Winifred L. Register, \$5,454.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc. Respondents, Edward D. Jones & Co. and Chris Cuning, shall be and hereby are, jointly and severally liable for, and shall pay to Claimant, Winifred L. Register, \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **JOSEPH J. ARON, ESQ.**, do hereby affirm upon my oath of 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: *July 24, 1945*