

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

Jan, J. Michael, Jason, and Jonathan Doughty, Claimants vs. Daniel Kehrer, Tammy Hoch, Jeremy Michelman, Pam Cavness, and Edward D. Jones & Co., Respondents.

Case Number: 99-03270

Hearing Site: Phoenix, Arizona

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**REPRESENTATION OF PARTIES**

Claimant(s), Jan, J. Michael, Jason, and Jonathan Doughty, of Tempe, Arizona, hereinafter {collectively} referred to as "Claimants", appeared pro se.

Respondent(s), Daniel Kehrer ("Kehrer"), Tammy Hoch ("Hoch"), Jeremy Michelman ("Michelman"), Pam Cavness ("Cavness"), and Edward D. Jones & Co. ("Jones & Co.") hereinafter {collectively} referred to as "Respondents", were represented by William F. Doran, Esq., Doherty & Alex, Phoenix, Arizona.

**CASE INFORMATION**

Statement of Claim filed on or about: 7/22/99

Claimants, Jan and John Doughty, signed the Uniform Submission Agreement: 7/12/99

Statement of Answer filed by Respondent(s), Kehrer, Hoch, Michelman, Cavness, and Jones & Co., on or about: 9/10/99

Respondent, Jones & Co. (Cynthia Doria, Counsel), signed the Uniform Submission Agreement: 7/28/99

Respondent, Cavness, signed the Uniform Submission Agreement: 7/30/99

Respondent, Michelman, signed the Uniform Submission Agreement: 8/5/99

Respondent, Hoch, signed the Uniform Submission Agreement: 8/9/99

Respondent, Kehrer, signed the Uniform Submission Agreement: 9/9/99

**CASE SUMMARY**

Claimant(s) asserted the following causes of action: Failure to follow instructions and negligence. The causes of action relate to the trade of Action Performance (ACTN) stock and the purchase of Educational IRAs.

Unless specifically admitted in their Answer, all Respondents denied the allegations made in the Statement of Claim and asserted no affirmative defenses.

### **RELIEF REQUESTED**

Claimant(s) requested:

Compensatory Damages	\$4,578.22
Punitive Damages	\$4,000
Attorneys' Fees	\$717.50
Other Costs:	
Expenses Incurred in Resolution Attempt	\$1,100
NASD Filing Fees	\$325

Respondent(s) requested that all claims be dismissed with prejudice.

Respondent(s) did not request any other Monetary/Non-Monetary Relief.

### **OTHER ISSUES CONSIDERED AND DECIDED**

By preliminary stipulation, Respondents Michelman and Cavness were dismissed from the claim on December 14, 1999, at the initial pre-hearing conference.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

The Arbitrator ordered that Respondents Kehrer and Jones & Co. pay any and all filing and forum fees incurred by Claimants.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. There is no individual liability on the Respondent Tammy Hoch.
2. Claimants Jan and John Michael Doughty are entitled to receive from the Respondents Edward D. Jones & Co. and Daniel Kehrer, jointly and severally, the sum of **\$2,268.00**, together with interest thereon -- from October 26, 1998 until payment -- at the statutory rate of **10% per annum**.
3. Filing fees incurred by the Claimants, in the amount of **\$75**, are to be paid by the Respondents Edward D. Jones & Co. and Daniel Kehrer, jointly and severally.
4. Forum fees, in the amount of **\$750**, are to be paid by the Respondents,

Kehrer and Jones & Co., jointly and severally.

5. Any and all other claims for relief requested by the Claimants not specifically addressed herein, including punitive [treble] damages, are denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$75

Respondents, Kehrer and Jones & Co., will reimburse Claimants, in the amount of \$75, jointly and severally, for this non-refundable fee paid to NASD Regulation, Inc.

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is Edward D. Jones & Co.

Member surcharge = \$300

#### **Forum Fees and Assessments**

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with a single arbitrator x \$250 = \$250  
Pre-hearing conference: January 14, 1999 1 session

2 Hearing sessions x \$250 = \$500

Hearing Date: February 7, 2000 2 sessions

Total Forum Fees = \$750

The Arbitrator has assessed all \$750 of the forum fees to Respondents Kehrer and Jones & Co. jointly and severally. NASD Regulation, Inc., will refund the Claimants' \$250 deposit for forum fees.

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### Fee Summary

1. Respondent, Jones & Co., be and hereby is solely liable for:

Member Fees	= \$ 300
<u>Administrative Costs</u>	= \$ <del>xxx</del>
Total Fees	= \$ 300
<u>Less payments</u>	= \$ 300
Balance Due NASD Regulation, Inc.	= \$ 0

2. Respondents, Kehrer and Jones & Co., be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 750
Balance Due NASD Regulation, Inc.	= \$ 750

3. Respondents, Kehrer and Jones & Co., be and hereby are jointly and severally liable for the reimbursement of Claimants' initial filing fee, paid by Claimants to NASD Regulation, Inc., in the amount of \$75.

With the exception of the award and the \$75 initial filing fee reimbursement, payable directly to Claimants, all balances are due to NASD Regulation, Inc.

### Arbitrator's Signature

  
Brian R. Warnock  
Public Arbitrator

3/16/00  
Signature Date

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Date of Service (For NASD office use only)