

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Wallene T. Leek and John Dee Dockery

Case No. 00-04326

Name of Respondents

John F. Ray;
Henry L. Brenner;
Legacy Securities Corp.; and
Phillip Rexel Munsey, Jr.

Hearing Site: Nashville, Tennessee

REPRESENTATION OF PARTIES

Claimants Wallene T. Leek ("Leek") and John Dee Dockery ("Dockery") were represented by William B.L. Little, Esq., of Little & Little, PLLC, located in Raleigh, North Carolina.

Respondents John F. Ray ("Ray"); Henry L. Brenner ("Brenner"); Legacy Securities Corp. ("Legacy"); and Phillip Rexel Munsey, Jr. ("Munsey") were represented by Shepherd Tate, Esq. Were represented by Tate, Lazarini & Beall, PLC, located in Memphis, Tennessee.

CASE INFORMATION

Statement of Claim filed on or about: September 29, 2000.

Amended Statement of Claim filed on or about: February 9, 2001.

Claimant Leek signed the Uniform Submission Agreement: September 27, 2000.

Claimant Dockery signed the Uniform Submission Agreement: September 28, 2000.

Statement of Answer filed by Respondents Legacy and Brenner on or about: January 17, 2001.

Statement of Answer filed by Respondent Ray on or about: May 8, 2001.

Statement of Answer filed by Respondent Munsey on or about: June 26, 2001.

Respondent Legacy signed the Uniform Submission Agreement: January 9, 2001.

Respondent Brenner signed the Uniform Submission Agreement: January 10, 2001.

Respondent Ray signed the Uniform Submission Agreement: January 10, 2001.

Respondent Munsey signed the Uniform Submission Agreement: May 23, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: violation of state securities act; negligent misrepresentation; fraud; breach of fiduciary duty; negligence and gross negligence; constructive fraud; failure to supervise; breach of contract; control person liability; and violation of federal securities laws.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The claims are barred by the doctrines of ratification, waiver, estoppel, contributory/comparative negligence, laches and assumption of risk;
2. The claims are barred by claimants' violations of their contractual obligations to the firm, their unclean hands and their failure to use due diligence in monitoring their accounts;
3. Claimants cannot establish "scienter" on the part of any respondent, which is a requirement of the fraud claims;
4. Claimants failed to mitigate damages;
5. The claims are barred by the statute of limitations; and,
6. The Statement of Claim fails to state a claim upon which relief can be granted.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$500,000.00
Punitive Damages	unspecified amount
Interest	statutory rate
Attorneys' Fees	reasonable fees
Other Costs	unspecified amount

Respondents requested dismissal, costs and attorneys' fees and expungement from CRD of the record of this claim.

OTHER ISSUES CONSIDERED AND DECIDED

It appears to the Arbitrators appointed to resolve this dispute that the parties have resolved this dispute and that the parties request that the Arbitrators enter this Directive And Award Regarding Disciplinary Records which is intended to have the Central Registration Depository and other regulatory authorities expunge, delete and erase any reference of or to this complaint, dispute and/or arbitration from Mr. Henry L. Brenner's, Mr. John F. Ray's and Mr. Phillip Rexel Munsey, Jr.'s registration and/or disciplinary records, including, but not limited to, their respective Forms U-4 and U-5, which were filed following the filing of this action and which reference this action and the allegations made against them. Brenner, Ray and Munsey claim that the unproven allegations, if allowed to remain, will harm their reputation and Claimants and Legacy have no objection to their

expungement request.

AWARD

After considering the stipulation and settlement of the parties, the Panel, without making any finding of facts or conclusions of law, has ordered as follows:

1. The panel directs the expungement of all reference to the above captioned arbitration from the Central Registration Depository from the registration and/or disciplinary records of Respondents John F. Ray, Henry L. Brenner, and Phillip Rexel Munsey, Jr. including, but not limited to, their respective Forms U-4, based on the defamatory nature of the information in the CRD system, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and,
2. Unless otherwise specified by the parties per their settlement agreement or by order in this award, the parties shall bear their own costs of arbitration.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Adjournment Fees

Adjournments requested during these proceedings: None.

Forum Fees and Assessments

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

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conferences: July 11, 2001 1 session	
August 8, 2001 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,250.00

The panel has assessed \$1,125.00 of the forum fees to Claimants Wallene T. Leek and John Dee Dockery and \$1,125.00 of the forum fees jointly and severally to Respondents John F. Ray, Henry L. Brenner, Legacy Securities Corp. and Phillip Rexel Munsey, Jr.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Claimants Wallene T. Leek and John Dee Dockery requested copies of audio transcripts = \$15.00.
Respondents John F. Ray, Henry L. Brenner, Legacy Securities Corp. and Phillip Rexel Munsey, Jr. requested copies of audio transcripts = \$15.00.

SEE SUMMARY

Claimants Wallene T. Leek and John Dee Dockery are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,125.00
<u>Administrative Costs</u>	<u>= \$ 15.00</u>
Total Fees	= \$ 1,440.00
<u>Less payments</u>	<u>= \$ 1,440.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$.00

Respondent Legacy Securities Corp. is solely liable for:

Member Fees	= \$ 4,600.00
<u>Less payments</u>	<u>= \$ 4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$.00

Respondents John F. Ray, Henry L. Brenner, Legacy Securities Corp. and Phillip Rexel Munsey, Jr. are jointly and severally liable for:

Forum Fees	= \$ 1,125.00
<u>Administrative Costs</u>	<u>= \$ 15.00</u>
Total Fees	= \$ 1,140.00
<u>Less payments</u>	<u>= \$ 530.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 610.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Robert S. Brandt, J.D. - Public Arbitrator, Presiding Chair

Frank E. Barnett - Public Arbitrator

R. Thomas Barksdale - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert S. Brandt, J.D.
Public Arbitrator, Presiding Chair

4 - 18 - 02

Signature Date

Frank E. Barnett
Public Arbitrator

Signature Date

R. Thomas Barksdale
Non-Public Arbitrator

Signature Date

5/2/02 KLA

Date of Service (For NASD-Dispute Resolution office use only)

ARBITRATION PANEL

Robert S. Brandt, J.D. - Public Arbitrator, Presiding Chair
Frank E. Barnett - Public Arbitrator
R. Thomas Barksdale - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert S. Brandt, J.D.
Public Arbitrator, Presiding Chair



Frank E. Barnett
Public Arbitrator

Signature Date

9-23-02

Signature Date

R. Thomas Barksdale
Non-Public Arbitrator

Signature Date

5/2/02 um
Date of Service (For NASD-Dispute Resolution office use only)

ARBITRATION PANEL

Robert S. Brandt, J.D. - Public Arbitrator, Presiding Chair
Frank E. Barnett - Public Arbitrator
R. Thomas Barksdale - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert S. Brandt, J.D.
Public Arbitrator, Presiding Chair

Signature Date

Frank E. Barnett
Public Arbitrator

Signature Date

R. Thomas Barksdale
R. Thomas Barksdale
Non-Public Arbitrator

April 18, 2002
Signature Date

5/2/02 MM

Date of Service (For NASD-Dispute Resolution office use only)