
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Hugh B. Helm,
Claimant

Vs.

Legacy Securities Corporation, and
William S. Waits,
Respondents.

Case Number: 00-05249

Hearing Site: Louisville, Kentucky

REPRESENTATION OF PARTIES

Claimant Hugh B. Helm ("Helm") was represented by Barry D. Hunter, Esquire, of Frost Brown Todd, LLC, Lexington, Kentucky.

Respondents Legacy Securities Corporation ("Legacy"), and William S. Waits ("Waits"), hereinafter collectively referred to as "Respondents," were represented by Shepherd D. Tate, Esquire, of Tate, Lazarini & Beall, PLC, Memphis, Tennessee.

CASE INFORMATION

The Statement of Claim was filed on or about November 27, 2000.

Helm signed the Uniform Submission on November 18, 2000.

Respondents Legacy and Waits filed a joint Statement of Answer on or about February 6, 2001.

Michael D. Easterly, Chairman and CEO of Legacy, signed the Uniform Submission Agreement on Legacy's behalf on February 2, 2001.

Waits signed the Uniform Submission Agreement on February 2, 2001.

CASE SUMMARY

Helm asserted the following causes of action: respondeat superior, principal/agent and control person liability, churning, misrepresentation, omissions, violations of Kentucky securities laws, negligent failure to supervise, breach of fiduciary duty and breach of contract. These claims involved transactions in stocks and bonds issued by the following companies: Suburban Lodges, Levitz Furniture, Fleming Co., Venture Stores, Sholodge, Service Merchandise, Hechingers, Pamida, Inc., NW Steel & Wire Co., Autozone, Boston Chicken, U.S. Leather, Computervision, Harvard Industries, APS, Inc., Golden State Bancorp, Imperial Credit, Compaq Computer, Q Sound Labs, Shop at Home, Inc., Hancock Thrift, Converse, Inc., Mid America Apt., National Health Investments and Prison Realty.

Unless stated otherwise in their Statement of Answer, Respondents denied the allegations set forth in the Statement of Claim, and asserted the following affirmative defenses: ratification, waiver, estoppel, contributory/comparative negligence, unclean hands, lack of scienter, violation of the applicable statutes of limitations, failure to mitigate and failure to state a claim for which relief may be granted.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages

\$450,000.00

Claimant also requested unspecified interest, restitution, attorney's fees, costs and punitive damages.

Respondents requested that the claims against them be dismissed in their entirety, and that they be awarded costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 29, 2002, Respondents filed an Emergency Motion to Dismiss or, in the Alternative, to Enforce the Terms of the Parties' [Unsigned] Settlement Agreement and for Entry of Award and Sanctions. On or about January 29, 2002, Helm filed a response to the motion in which he agreed that the terms of the settlement should be enforced and objected to the imposition of sanctions. On February 1, 2002, the undersigned Panel ordered Helm to provide a further written response to the motion within thirty (30) days. On or about March 25, 2002, Respondents filed an Emergency Motion to Dismiss. On or about March 26, 2002, Helm filed his a response to the motion, reiterating his position that the terms of the settlement agreement should be enforced.

AWARD

After considering the pleadings, the motions and responses thereto, and the unsigned draft settlement agreement of the parties, the undersigned Panel finds in full and final resolution of the issues submitted for determination as follows:

1. The Panel finds that there was a meeting of the minds between the parties to this matter, and hereby enforces the settlement agreement, as follows:
 - a. Respondent Legacy Securities Corporation is solely liable for, and shall pay to Claimant Hugh B. Helm, the sum of \$17,500.00 (Seventeen Thousand Five Hundred Dollars and No Cents) in compensatory damages.
 - b. All claims filed by Claimant Hugh B. Helm against Respondent William S. Waits are dismissed in their entirety.
 - c. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent William S. Waits' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent William S. Waits must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
2. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees.
3. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc., will retain the following non-refundable filing fee:

Initial claim filing fee	= \$ 300.00
--------------------------	-------------

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, Legacy, is a party.

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

04/19/02 FRI 15:49 FAX

NASD REGULATION

0000

NASD Dispute Resolution, Inc.

Arbitration Case #: 00-05249

Page 4 of 4

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:

One (1) Pre-hearing session with the panel x \$1,125 = \$1,125.00

Pre-hearing conference: June 28, 2001 1 session

Total Forum Fees = \$1,125.00

The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$562.50) to Helm and one half (\$562.50) to Legacy.

FEE SUMMARY

1. Claimant Hugh B. Helm is solely liable for:

Initial Filing Fee = \$ 300.00

Forum Fees = \$ 562.50

Total Fees = \$ 862.50

Less payments = \$1,425.00

Refund Due from NASD Dispute Resolution, Inc. = \$ 562.50

2. Respondent Legacy Securities Corporation, is solely liable for:

Member Fees = \$4,600.00

Forum Fees = \$ 562.50

Total Fees = \$5,162.50

Less payments = \$2,250.00

Balance Due to NASD Dispute Resolution, Inc. = \$2,912.50

Concurring Arbitrators' Signatures


Thomas D. Seabert, JD
Public Arbitrator

4-22-02
Signature Date

Robert P. Ross, Esq.
Public Arbitrator

Signature Date

Todd Parker Lowe
Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
Arbitration Case #: 00-05249
Page 4 of 4

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:

One (1) Pre-hearing session with the panel x \$1,125 = \$1,125.00
Pre-hearing conference: June 28, 2001 1 session
Total Forum Fees = \$1,125.00
The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$562.50) to Helm and one half (\$562.50) to Legacy.

FEE SUMMARY

1. Claimant Hugh B. Helm is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 862.50
<u>Less payments</u>	= \$1,425.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 562.50

2. Respondent Legacy Securities Corporation, is solely liable for:

Member Fees	= \$4,600.00
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$5,162.50
<u>Less payments</u>	= \$2,250.00
Balance Due to NASD Dispute Resolution, Inc.	= \$2,912.50

Concurring Arbitrators' Signatures

Thomas D. Schneid, II
Public Arbitrator

Robert P. Ross, Esq.
Public Arbitrator

Todd Parker Lowe
Non-Public Arbitrator

Date of Service

Signature Date

4/29/02
Signature Date

Signature Date

NASD Dispute Resolution, Inc.

Arbitration Case #: 00-05249

Page 4 of 4

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:

One (1) Pre-hearing session with the panel x \$1,125 = \$1,125.00

Pre-hearing conference: June 28, 2001 1 session

Total Forum Fees = \$1,125.00

The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$562.50) to Helm and one half (\$562.50) to Legacy.

FEE SUMMARY

1. Claimant Hugh B. Helm is solely liable for:

Initial Filing Fee = \$ 300.00

Forum Fees = \$ 562.50

Total Fees = \$ 862.50

Less payments = \$1,425.00

Refund Due from NASD Dispute Resolution, Inc. = \$ 562.50

2. Respondent Legacy Securities Corporation, is solely liable for:

Member Fees = \$4,600.00

Forum Fees = \$ 562.50

Total Fees = \$5,162.50

Less payments = \$2,250.00

Balance Due to NASD Dispute Resolution, Inc. = \$2,912.50

Concurring Arbitrators' Signatures

Thomas D. Schneid, JD
Public Arbitrator

Signature Date

Robert P. Ross, Esq.
Public Arbitrator

Signature Date

Todd Parker Lowe
Non-Public Arbitrator

Signature Date

Date of Service