

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Mae C. Annandale, individually
and as Trustee for the Clyde B.
Annandale Trust and the Cyrus B.
Conner Trust

Case Number: 02-06895

Names of the Respondents

Linsco/Private Ledger
Eugene F. Blair

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Mae C. Annandale, individually and as Trustee for the Clyde B. Annandale Trust and the Cyrus B. Conner Trust, hereinafter referred to as "Claimants": Pat Huddleston, II, Esq. and Jason L. Nohr, Esq., Huddleston & Nohr, Marietta, Georgia.

For Linsco/Private Ledger ("Linsco") and Eugene F. Blair ("Blair"), hereinafter collectively referred to as "Respondents": Jo Lanier Meeks, Esq., Pursley Lowery Meeks LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: November 13, 2002.

Claimants signed the Uniform Submission Agreements: October 4, 2002.

Statement of Answer filed by Respondents on or about: January 22, 2003.

Respondent Linsco signed the Uniform Submission Agreement: March 19, 2003.

Respondent Blair signed the Uniform Submission Agreement: January 21, 2003.

CASE SUMMARY

Claimants asserted that Respondents bought unsuitable variable annuities for Claimants and then invested the funds within the annuities aggressively in high risk mutual funds. The causes of action relate to investments in unspecified variable annuities and mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested damages of \$700,000.00, plus interest, attorneys' fees, costs, tax losses, and punitive damages to be determined by the arbitration panel

Respondents requested that Claimants' claims be dismissed in their entirety, that Respondents be awarded their attorneys' fees and costs in connection with this proceeding, and that all costs of this proceeding, including NASD fees and surcharges, be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

Respondents are liable, jointly and severally, and shall pay to Claimants the sum of \$237,500.00, pre-judgment interest specifically excluded. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the NASD Code of Arbitration Procedure (the "Code").

Respondent Linsco is liable and shall pay to Claimants the sum of \$187.50 representing reimbursement of one-half of the claim filing fee previously paid by Claimants to NASD Dispute Resolution and Respondent Blair is liable and shall pay to Claimants the sum of \$187.50 representing reimbursement of one-half of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' requests for tax losses and punitive damages, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$375.00
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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(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 a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments for which fees were assessed were granted in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 Pre-hearing session with the Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: April 29, 2003 1 session	
Ten Hearing sessions @ \$1,200.00	= \$12,000.00
Hearing Dates: November 3, 2003 2 sessions	
November 4, 2003 2 sessions	
November 5, 2003 2 sessions	
November 6, 2003 2 sessions	
November 7, 2003 2 sessions	
Total Forum Fees	= \$13,200.00

The Panel has assessed \$6,600.00 of the forum fees to Respondent Linsco.

The Panel has assessed \$6,600.00 of the forum fees to Respondent Blair.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$375.00
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Total Fees	= \$375.00
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Less payments = \$375.00

Balance Due NASD Dispute Resolution = \$0.00

Respondent Linsco is solely liable for:

Member Fees = \$7,000.00

Forum Fees = \$6,600.00

Total Fees = \$13,600.00

Less payments = \$7,000.00

Balance Due NASD Dispute Resolution = \$6,600.00

Respondent Blair is solely liable for:

Forum Fees = \$6,600.00

Total Fees = \$6,600.00

Less payments = \$0.00

Balance Due NASD Dispute Resolution = \$6,600.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

William E. Zachary, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator
Perry L. Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/_____
William E. Zachary, Jr., Esq.
Public Arbitrator, Presiding Chair

November 17, 2003
Signature Date

_____/s/_____
Frank A. Lightmas, Jr., Esq.
Public Arbitrator

November 17, 2003
Signature Date

/s/
Perry L. Taylor, Jr., Esq.
Non-Public Arbitrator

November 18, 2003
Signature Date

November 21, 2003
Date of Service (For NASD Dispute Resolution office use only)

Less payments = \$375.00

Balance Due NASD Dispute Resolution = \$0.00

Respondent Linsco is solely liable for:

Member Fees = \$7,000.00

Forum Fees = \$6,600.00

Total Fees = \$13,600.00

Less payments = \$7,000.00

Balance Due NASD Dispute Resolution = \$6,600.00

Respondent Blair is solely liable for:

Forum Fees = \$6,600.00

Total Fees = \$6,600.00

Less payments = \$0.00

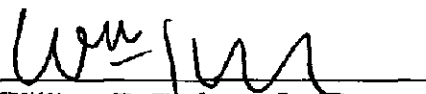
Balance Due NASD Dispute Resolution = \$6,600.00

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ARBITRATION PANEL

William E. Zachary, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator
Perry L. Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


William E. Zachary, Jr., Esq.
Public Arbitrator, Presiding Chair

11/17/03
Signature Date

Frank A. Lightmas, Jr., Esq.
Public Arbitrator

Signature Date

Less payments = \$375.00

Balance Due NASD Dispute Resolution = \$0.00

Respondent Linsco is solely liable for:

Member Fees = \$7,000.00

Forum Fees = \$6,600.00

Total Fees = \$13,600.00

Less payments = \$7,000.00

Balance Due NASD Dispute Resolution = \$6,600.00

Respondent Blair is solely liable for:

Forum Fees = \$6,600.00

Total Fees = \$6,600.00

Less payments = \$0.00

Balance Due NASD Dispute Resolution = \$6,600.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

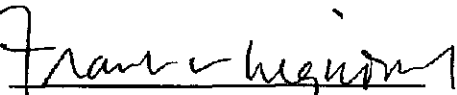
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Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator
Perry L. Taylor, Jr., Esq.	-	Non-Public Arbitrator

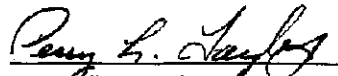
Concurring Arbitrators' Signatures

William E. Zachary, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date


Frank A. Lightmas, Jr., Esq.
Public Arbitrator

11/17/03
Signature Date


Perry L. Taylor, Jr., Esq.
Non-Public Arbitrator

18 Nov '03
Signature Date

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