

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Ronald S. Bergman

and

Case Number: 03-02703
Hearing Site: Omaha, Nebraska

Names of Respondents

Transamerica Financial Advisors, Inc.,
Locust Street Securities, Inc., and
Lonnie T. Shannon

NATURE OF CASE

Customer v. Members and Associated Person

REPRESENTATION OF PARTIES

Ronald S. Bergman ("Bergman or Claimant") was represented by Justin E. LaVan, Esq., LaMarca & Landry, P.C., West Des Moines, Iowa.

Transamerica Financial Advisors, Inc. ("Transamerica") and Lonnie T. Shannon ("Shannon") were represented by Neil B. Solomon, Esq., and Joseph C. Coates, III, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

Locust Street Securities, Inc. ("Locust") was represented by Rodney Vincent, Esq., Vincent Law Offices, Lincoln, Nebraska.

CASE INFORMATION

The Statement of Claim was filed on or about April 14, 2003. The Submission Agreement of Claimant was signed on or about April 9, 2003. Claimant's Amended Statement of Claim was filed on or about December 3, 2004.

Statement of Answer was filed by Respondent Transamerica on or about June 30, 2003. Respondent Shannon adopted Transamerica's Statement of Answer on or about April 15, 2005. The Submission Agreement of Transamerica Financial Advisors, Inc., was signed on or about May 6, 2003. Lonnie T. Shannon did not file a Submission Agreement.

Locust Street Securities, Inc. did not file a Statement of Answer or a Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: churning; unsuitable trading; breach of fiduciary duty; negligence; violation of state and federal securities laws; and misrepresentations. The causes of action related to the order recommendation and purchases of various securities. Claimant alleged that Respondents failed to advise him of proper investment objectives, to reduce risk, to diversify his holdings, and to preserve his capital, which resulted in substantial losses to him.

Unless specifically admitted in their Answer, Transamerica and Shannon denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was fully advised of and understood the nature of the investments purchased in his accounts; any diminution in the value of Claimant's investments was caused in whole or in part by the general decline in the investment markets, the economy and/or events outside the control of Transamerica; and Claimant expressly ordered, approved, participated in and ratified the acts and transactions he complained of in the Claim.

RELIEF REQUESTED

Claimant requested an award in the amount of \$1,000,000.00 in compensatory damages, \$5,000,000.00 in punitive damages, costs and attorneys' fees, and any other relief the panel deemed just and proper.

Transamerica Financial Advisors, Inc. and Lonnie T. Shannon requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees and such other and further relief as the panel deemed just and appropriate.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Lonnie T. Shannon did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim is bound by the determination of the arbitration panel on all issues submitted.

On or about June 12, 2003, Claimant dismissed Respondent Locust Street Securities, Inc., from this case without prejudice.

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. In either case, the parties

have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1) Claimant's claims, each and all are dismissed with prejudice pursuant to the parties settlement agreement;
- 2) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lonnie T. Shannon's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Shannon must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$600.00

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 person at the time of the events giving rise to the dispute. In this matter, the member firms are Transamerica Financial Advisors, Inc. and Locust Street Securities, Inc.

Member surcharge = \$3,350.00
Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,500.00

Adjournment Fees

Adjournments granted in these proceedings:

September 28-October 1, 2004, requested by Claimant and Transamerica
(\$600.00 each) = \$1,200.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with one Arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: May 10, 2004 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: November 10, 2003 1 session

Total Forum Fees = \$1,650.00

The Arbitration Panel has assessed \$825.00 of the forum fees to Ronald S. Bergman.

The Arbitration Panel has assessed \$825.00 of the forum fees to Transamerica Financial Advisors, Inc.

Fee Summary

Claimant Ronald S. Bergman is liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 2,400.00
Less payments	= \$ 2,400.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Transamerica Financial Advisors, Inc. is liable for:

Member Fees	= \$ 9,600.00
Adjournment Fee	= \$ 600.00

Forum Fees	= \$ 825.00
Total Fees	= \$11,025.00
Less payments	= \$10,100.00
Balance Due NASD Dispute Resolution	= \$ 925.00

Respondent Locust Street Securities, Inc. is severally liable for:

Member Fees	= \$ 3,350.00
Total Fees	= \$ 3,350.00
Less payments	= \$ 3,350.00
Balance Due NASD Dispute Resolution	= \$ 00.00

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

ARBITRATION PANEL

Richard A. Knudsen - Public Arbitrator, Presiding Chair
Robert Berkshire, Esq. - Public Arbitrator
Christopher Daniel Gryzen - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Richard A. Knudsen
Richard A. Knudsen
Public Arbitrator, Presiding Chair

06/29/05
Signature Date

/s/ Robert Berkshire, Esq.
Robert Berkshire, Esq.
Public Arbitrator

06/28/05
Signature Date

/s/ Christopher Daniel Gryzen
Christopher Daniel Gryzen
Non-Public Arbitrator

07/07/05
Signature Date

07/08/05
Date of Service (For NASD office use only)

Total Fees	= \$11,025.00
Less payments	= \$10,100.00
Balance Due NASD Dispute Resolution	= \$ 925.00

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Public Arbitrator, Presiding Chair


Signature Date

Robert Berkshire, Esq.
Public Arbitrator

Signature Date

Christopher Daniel Gryzen
Non-Public Arbitrator

Signature Date

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Total Fees	= \$11,025.00
<u>Less payments</u>	<u>= \$10,100.00</u>
Balance Due NASD Dispute Resolution	= \$ 925.00

Respondent Locust Street Securities, Inc. is severally liable for:

Member Fees	= \$ 3,350.00
Total Fees	= \$ 3,350.00
<u>Less payments</u>	<u>= \$ 3,350.00</u>
Balance Due NASD Dispute Resolution	= \$ 00.00

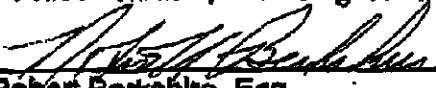
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Public Arbitrator

Signature Date

6/28/05
Signature Date

Christopher Daniel Gryzen
Non-Public Arbitrator

Signature Date

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Signature Date

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Public Arbitrator

Signature Date



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