

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Ronald Rumsey

and

03-03276
Kansas City, Missouri

Name of Respondents

Legacy Financial Services, Inc.
Mark A. Nelson

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

REPRESENTATION OF PARTIES

Ronald Rumsey ("Claimant") was represented by Roger N. Walter, Esq., Morris, Laing, Evans, Brook & Kennedy, Chtd., Topeka, Kansas.

Legacy Financial Services, Inc. ("Legacy") and Mark A. Nelson ("Nelson"), hereinafter collectively known as "Respondents", were represented by Martin Q. Ryan, Mora, Baugh, Waitzman & Unger L.L.C., Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about May 5, 2003. The Submission Agreement of Claimant was signed on or about April 30, 2003.

The Statement of Answer was filed jointly by Respondents on or about July 2, 2003. The Submission Agreement of Respondent Legacy was signed on or about June 30, 2003. The Submission Agreement of Respondent Nelson was signed on or about July 15, 2003.

Respondents filed a Motion to Dismiss on or about June 27, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of fiduciary duty; misrepresentations; and suitability. Claimant asserted that he incurred investment losses resulting from his purchase of an annuity in June 2000 and that Respondents are liable for those losses under Kansas and federal securities laws, Kansas Consumer Protection laws, and Kansas common law.

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

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$58,000.00
Punitive Damages	\$40,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. Respondents also requested an award recommending expungement of all references to Claimant, his claims and the Arbitration Proceeding from the registration records of Respondent Mark Nelson be entered.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Rule 10336 of the Code, the parties stipulated and agreed that this matter would be heard by a single arbitrator, the Panel Chairperson, after the initial pre-hearing conferences and that any award would be entered by a single arbitrator, the Panel Chairperson (hereinafter referred to as the "Panel").

Prior to a final hearing, the claims against Respondent Nelson were dismissed and Claimant informed NASD Dispute Resolution that all remaining claims had been fully settled, resolved and compromised.

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

AWARD

After considering the pleadings and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Mark Nelson's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to

Members 99-09 and 99-54, Respondent Mark Nelson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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	\$ 225.00
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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 person at the time of the events giving rise to the dispute. In this matter, the member firm is Legacy Financial Service, Inc.

Member surcharge	\$ 1,100.00
Pre-hearing process fee	\$ 750.00
Hearing process fee	<u>\$ 1,700.00</u>
Total Member Fees	\$ 3,550.00

Adjournment Fees

Claimant, Rumsey, requested a postponement for the December 14-15, 2004 hearing dates. The Panel waived the \$750 postponement fee.

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:

Two (2) Pre-hearing sessions with Panel	x	\$ 750.00	\$ 1,500.00
Pre-hearing conferences:	11/5/2003	1 session	
	12/8/2004	1 session	
Total Forum Fees			\$ 1,500.00

The Arbitration Panel has assessed the following forum fees to Claimant	\$ 750.00
The Arbitration Panel has assessed the following forum fees jointly and severally to Respondents Legacy and	\$ 750.00

FEE SUMMARY

Claimant shall be and hereby is liable for:

Initial Filing Fee	\$ 225.00
Forum Fees	\$ 750.00
Total Fees	\$ 975.00
Less Payments	\$ 975.00
Balance Due NASD Dispute Resolution	\$ 0.00

Respondent, Legacy, shall be and hereby is liable for:

Member Fee	\$ 3,550.00
Total Fees	\$ 3,550.00
Less Payments	\$ 3,550.00
Balance Due NASD Dispute Resolution	\$ 0.00

Respondents, Legacy and Nelson, shall be and hereby are jointly and severally liable for:

Forum Fees	\$ 750.00
Total Fees	\$ 750.00
Less Payments	\$ 750.00
Balance Due NASD Dispute Resolution	\$ 0.00

All balances are due to NASD Dispute Resolution

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ARBITRATION PANEL

M.W. Gear - Public Arbitrator, Presiding Chair

Arbitrator:

M. W. Gear

M.W. Gear
Public Arbitrator, Presiding Chair

9/23/05

Signature Date

9/30/05
Date of Service (For NASD office use only)