

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant
Thomas McLearen

and

03-03530
Chicago, Illinois

Name of Respondents
LPL Financial Services a/k/a Linsco
Private Ledger, Inc. and Paul Sullivan

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

REPRESENTATION OF PARTIES

Thomas McLearen ("Claimant") was represented by Rosemarie J. Guadnolo, Esq., of Horvath & Lieber, P.C., Chicago, Illinois.

LPL Financial Services a/k/a Linsco Private Ledger, Inc., ("LPL") and Paul Sullivan ("Sullivan") or ("Respondents") were represented by Brad Jacobs Esq. of LPL, located in Boston, Massachusetts

CASE INFORMATION

The Statement of Claim was filed on or about May 14, 2003. Submission Agreement of Claimant was signed on May 14, 2003.

Joint Statement of Answer was filed by Respondent LPL and Sullivan on about July 16, 2003. Submission Agreements of Respondents were signed on June 14, 2003. Respondent Paul Sullivan filed a counterclaim for expungement on July 16, 2003.

CASE SUMMARY

Claimant alleged that he went to his bank in order to roll over his retirement funds. Claimant was directed to Respondent Paul Sullivan. Claimant informed Sullivan that he knew nothing about investing. Sullivan told him he would put his funds into a "non-risk" liquidation fund. Sullivan later encouraged Claimant to diversify. Claimant agreed because he was relying on Sullivan's advice. Sullivan then took a portion of Claimant's funds and invested them in mutual funds, individual stocks, and unit investment trusts during January of 2000. Sullivan is alleged to have withdrawn funds from Claimant's various accounts without consent. Claimant alleges that Sullivan did not have discretionary authority to buy securities on his behalf. The securities were allegedly unsuitable for

Claimant who was unemployed. Claimant further alleges that LPL failed to supervise Sullivan in his handling of Claimant's account.

Respondents denied the allegations set forth in the Statement of Claim and asserted the following affirmative defenses: LPL and Sullivan did not breach any contract with or fiduciary duty to Claimant nor did they fail to disclose material facts; all investment recommendations were suitable; Respondents were not negligent or reckless with respect to Claimants accounts; LPL did not fail to supervise Sullivan; and, at all times, Respondents acted in good faith.

RELIEF REQUESTED

Claimant requested an award of actual damages in excess of \$250,000.00 including pre and post judgment interest. Claimant further requested punitive damages in excess of \$100,000.00, attorneys' fees and costs.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. Respondent Sullivan requested that this claim be expunged from the CRD system.

OTHER ISSUES CONSIDERED & DECIDED

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 remain on file with the NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims against Respondents LPL Financial Services a/k/a Linsco Private Ledger, Inc., and Paul Sullivan are denied in full, with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Paul Sullivan'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 Paul Sullivan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

3. 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; and,
4. 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	= \$300.00
Counterclaim	= \$250.00

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 event giving rise to the dispute. In this matter, the member firm is LPL.

Member surcharge	\$	1,700.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,750.00
Total Member Fees	\$	5,200.00

Adjournment Fees

Adjournments requested during these proceedings by Respondent LPL: July 13, 2004 - July 15, 2004	= \$1,125.00
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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 arbitrator, including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with a single arbitrator	x	\$450.00	\$	450.00
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	January 23, 2004	1	session			
1	Pre-hearing session with Panel	x	1,125.00	\$	1,125.00	
	March 12, 2004	1	session			
4	Hearing sessions	x	4,500.00	\$	4,500.00	
	October 5, 2004	2	sessions			
	October 6, 2004	2	sessions			
Total Forum Fees				\$	6,075.00	

The Arbitration Panel has assessed \$6,075.00 of the forum fees to Respondent LPL.

Fee Summary

Claimant, Thomas McLearn, shall be and hereby is liable for:

<u>Initial Filing Fee</u>	= \$	300.00
Total Fees	= \$	300.00
<u>Less payments</u>	= \$	-1,425.00
Balance refunded by NASD Dispute Resolution	= \$	1,125.00

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

Member Fees	= \$	5,200.00
Adjournment Fee	= \$	1,125.00
<u>Forum Fees</u>	= \$	6,075.00
Total Fees	= \$	12,400.00
<u>Less payments</u>	= \$	-6,325.00
Balance Due NASD Dispute Resolution	= \$	6,075.00

Respondent, Paul Sullivan, shall be and hereby is liable for:

<u>Initial Filing Fee</u>	= \$	250.00
Total Fees	= \$	250.00
<u>Less payments</u>	= \$	00
Balance Due NASD Dispute Resolution	= \$	250.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Kevin J. Conway, Esq. - Public Arbitrator, Presiding Chair
Kevin P. Gerard, CPA - Public Arbitrator
Martha B. Olson - Non-Public Arbitrator

Concurring Arbitrators:

Kevin J. Conway, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Kevin P. Gerard, CPA
Public Arbitrator

Signature Date

Martha B. Olson
Non-Public Arbitrator

Signature Date

Date of service by NASD Dispute Resolution October 27, 2004

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Martha B. Olson - Non-Public Arbitrator

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Kevin J. Conway, Esq.
Public Arbitrator, Presiding Chair

Signature Date

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Public Arbitrator

Signature Date

Martha B. Olson
Martha B. Olson
Non-Public Arbitrator

10/21/04
Signature Date

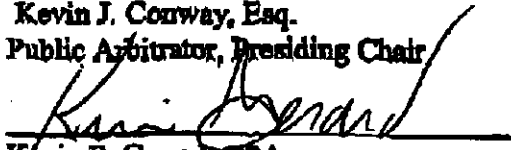
Date of service by NASD Dispute Resolution _____

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Public Arbitrator, Presiding Chair

Kevin P. Gerard, CPA
Public Arbitrator

Signature Date

10-21-2004
Signature Date

Martha B. Olson
Non-Public Arbitrator

Signature Date

Date of service by NASD Dispute Resolution _____

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Public Arbitrator, Presiding Chair

10/21/04
Signature Date

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Public Arbitrator

Signature Date

Martha B. Olson
Non-Public Arbitrator

Signature Date

Date of service by NASD Dispute Resolution