

**Stipulated Award
NASD Dispute Resolution**

In the Matter of Arbitration Between

Names of Claimants

Patrick F. McPherson and Mary F. McPherson,
Individually and On Behalf of Their Joint
Tenants In Common Account, Kilsarn FLP
Shamrock Trust GP, Environmental Imaging Sys, Inc.,
Repro Technology, Inc. and Maggie McPherson Trust

and

Case Number: 03-06145
Hearing Location: Houston, Texas

Names of Respondents

Lockwood Financial Services and
Michael Burke

NATURE OF DISPUTE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Patrick F. McPherson and Mary F. McPherson, Individually and On Behalf of Their Joint Tenants In Common Account, Kilsarn FLP Shamrock Trust GP, Environmental Imaging Sys, Inc., Repro Technology, Inc. and Maggie McPherson Trust, hereinafter collectively referred to as "Claimants," were represented by Kirk Smith, Esq., Shepherd, Smith & Edwards, LLP, Houston, Texas.

Lockwood Financial Services, Inc. ("Lockwood") was represented by Thomas Loder, Esq., Duane Morris, LLP, Philadelphia, Pennsylvania.

Michael Burke ("Burke") was represented by Janiece Longoria, Esq., Ogden, Gibson, Broocks & Longoria, L.L.P., Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about August 19, 2003. The Submission Agreement of Claimants was signed on or about June 30, 2003.

The Statement of Answer for Lockwood was filed on or about November 6, 2003. The Submission Agreement of Lockwood was signed on or about October 29, 2003.

The Statement of Answer for Burke was filed on or about November 6, 2003. The Submission Agreement of Burke was signed on or about November 7, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, negligence, breach of fiduciary duty, breach of contract and warranties, promissory estoppel, negligent supervision, violation of Consumer Protection and Deceptive Trade Practices, violation of Securities Exchange Act of 1934 and State (TX) securities and fraud statutes, fraud, misrepresentations and omissions, and respondeat superior.

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

1. Claimants' claims are barred by the applicable statutes of limitations, including, but not limited to, the one-year statute of limitations for all claims derivative of Section 10(b) of the Securities Exchange Act of 1934.
2. Claimants' claims are barred by the doctrine of laches.
3. Claimants' claim for negligence fails to state a cause of action where the predicate for such action lies in contract.
4. Claimants assumed the risks of investing in the securities and these have no basis for any claim against Respondents.
5. Claimants approved, authorized, ratified and/or acquiesced in the alleged acts, omissions, and misrepresentations, which form the basis of the subject complaint.
6. Claimants are estopped from recovering in this action because they were aware of the transactions in this account, approved the type of transactions that were performed and ratified the specific transactions which occurred.
7. Claimants are barred from recovery under the doctrine of waiver because they received timely reports of individual transactions and waived any cause of action against Respondents by failing to object to any of them.
8. Claimants cannot recover from Respondents because the handling of the accounts was in accordance and compliance with applicable brokerage industry standards, guidelines and regulatory requirements.

9. Any injury, loss or damage to the Claimants was the result of superseding or intervening causes beyond the control of Respondents.
10. Any injury, loss or damage to the Claimants was the result of their own conduct and therefore may not be awarded against Respondents.
11. Claimants failed to mitigate their alleged damages.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$3,000,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Other Costs	Unspecified
Attorneys' Fees	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, attorneys' fees and an expungement.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the parties fully and finally settled all claims by and between them. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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 NASD Dispute Resolution ("NASD").

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. This matter has been settled pursuant to a confidential settlement agreement;

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Michael Burke'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, Michael Burke, must obtain confirmation from a court of competent jurisdiction before the NASD will execute the expungement directive;

3. The Parties shall bear their respective costs, including attorney's fees, except NASD fees which are specifically addressed below; and

4. Any and all relief not specially addressed herein, including punitive damages, is denied in its entirety.

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 = \$ 500.00

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 firm is Lockwood Financial Services, Inc.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

November 16-19, 2004, joint adjournment request from the parties to mediate (fee waived) = \$ 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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: July 29, 2004 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: March 10, 2004 1 session

Total Forum Fees = \$ 1,650.00

The Arbitration Panel has assessed \$825.00 of the forum fees jointly and severally to Patrick F. McPherson and Mary F. McPherson, Individually and On Behalf of Their Joint Tenants In Common Account, Kilsarn FLP Shamrock Trust GP, Environmental Imaging Sys, Inc., Repro Technology, Inc. and Maggie McPherson Trust.

The Arbitration Panel has assessed \$825.00 of the forum fees jointly and severally to Lockwood Financial Services, Inc. and Michael Burke.

Fee Summary

Claimants, Patrick F. McPherson and Mary F. McPherson, Individually and On Behalf of Their Joint Tenants In Common Account, Kilsarn FLP Shamrock Trust GP, Environmental Imaging Sys, Inc., Repro Technology, Inc. and Maggie McPherson Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 825.00</u>
Total Fees	= \$ 1,325.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Refund Due to Claimants	= \$ 375.00

Respondent, Lockwood, is liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Total Fees</u>	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Lockwood and Burke, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 825.00
<u>Total Fees</u>	= \$ 825.00
<u>Less payments</u>	= \$ 825.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Joseph J. Ligi - Public Arbitrator, Presiding Chairperson

Daniel J. Pagnano - Public Arbitrator, Panelist

Ann I. Miller - Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

/s/ Joseph J. Ligi
Joseph J. Ligi
Public Arbitrator, Presiding Chairperson

February 15, 2005
Date

/s/ Daniel J. Pagnano
Daniel J. Pagnano
Public Arbitrator, Panelist

February 17, 2005
Date

/s/ Ann I. Miller
Ann I. Miller
Non-Public Arbitrator, Panelist

February 10, 2005
Date

March 4, 2005
Date of Service (For NASD Dispute Resolution office use only)

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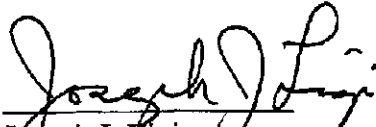
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Daniel J. Pagnano - Public Arbitrator, Panelist
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Concurring Arbitrators' Signatures



Joseph J. Ligi
Public Arbitrator, Presiding Chairperson

2-15-05
Date

Daniel J. Pagnano
Public Arbitrator, Panelist

Date

Ann I. Miller
Non-Public Arbitrator, Panelist

Date

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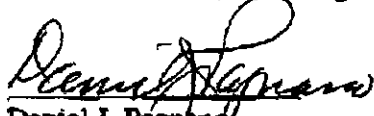
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Joseph J. Ligi
Public Arbitrator, Presiding Chairperson

Date



Daniel J. Pagnano
Public Arbitrator, Panelist

01/17/05

Date

Ann I. Miller
Non-Public Arbitrator, Panelist

Date

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Daniel J. Pagnano - Public Arbitrator, Panelist
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Concurring Arbitrators' Signatures

Joseph J. Ligi
Public Arbitrator, Presiding Chairperson

Date

Daniel J. Pagnano
Public Arbitrator, Panelist

Date



Ann I. Miller
Non-Public Arbitrator, Panelist

2-10-05
Date

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