
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Robert Wood

Case Number: 04-06266

Names of the Respondents
Legacy Financial Services, Inc.
Joseph R. Karsner, IV

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

For Robert Wood , hereinafter referred to as "Claimant": William B. Young, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Legacy Financial Services, Inc. ("LFS") and Joseph R. Karsner, IV ("Karsner") hereinafter referred to as "Respondents": Jeffrey J. Hines, Esq. and Michael A. Pichini, Esq., Goodell, Devries, Leech & Dann, L.L.P., Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: September 1, 2004.

Claimant signed the Uniform Submission Agreement: November 11, 2002.

Statement of Answer filed by Respondents on or about: November 15, 2004.

Respondent LFS signed the Uniform Submission Agreement: March 4, 2005.

Respondent Karsner signed the Uniform Submission Agreement: October 11, 2004.

Amended Statement of Claim filed by Claimant on or about: March 29, 2005.

Motion to Dismiss in Response to the Amended Statement of Claim filed by Respondents on or about: April 28, 2005.

CASE SUMMARY

Claimant asserted the following causes of action, as amended: 1) negligence; 2) breach of contract, 3) breach of fiduciary duty; 4) respondeat superior; 5) violation of NASD Conduct Rule 2110; 6) failure to supervise; 7) unsuitability; 8) omissions/misrepresentations; 9) fraudulent inducement and concealment; and, 10) common law fraud. The causes of action relate to the purchase of various mutual funds including, but not limited to, American Skandia Advisor Fund, Janus Overseas Growth Fund, American Century Strategic Balanced Fund, Oppenheimer Main St. Growth and Income Fund, Oppenheimer MidCap Fund and Oppenheimer Capital Appreciation Fund in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$105,500.00, punitive damages, attorney's fees, costs, interest and for any other remedy that the Panel deemed just and equitable.

Respondents requested, in their Motion to Dismiss and Answer, that Claimant's claims be barred by the applicable statute of limitations.

OTHER ISSUES CONSIDERED AND DECIDED

On May 27, 2005, the Panel issued an Order that denied Respondents' Motion to Dismiss.

On or about May 10, 2006, the parties advised NASD Dispute Resolution that they had resolved this matter. Pursuant to this resolution, Claimant has agreed to the dismissal of his claim, with prejudice. Further, the parties agreed that the Respondents are not liable for the counts listed in the Statement of Claim and the Amended Statement of Claim and that the investments at issue were suitable.

On or about June 5, 2006, the parties submitted to NASD Dispute Resolution a proposed Stipulated Award with a request for the expungement of the NASD Central Registration Depository (the "CRD") record of Respondent Karsner.

On October 6, 2006, a telephonic hearing was held on the issue of expungement of the NASD record of Respondent Karsner.

On October 9, 2006, the Panel issued an Order that granted Respondent Karsner's request for expungement.

The parties have agreed that the Stipulated Award in this matter may be entered in counterpart copies or that a signed handwritten Stipulated Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief

Pursuant to the agreement reached between the parties all claims against Respondents are dismissed, with prejudice.

Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure (the "Code") the Panel has made the following affirmative findings of fact:

The claim, allegation or information is clearly erroneous and Respondent Karsner was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation or conversion of funds.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Karsner's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Karsner must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

The parties shall bear their own costs, including attorneys' fees, except as fees are specifically addressed below.

Any and all claims for relief not specifically addressed herein, including Claimant's request for 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	= \$ 300.00
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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. Accordingly, Respondent LFS is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No cancellation fees were assessed 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 during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: May 6, 2005 1 session	
May 27, 2005 1 session	
One (1) Hearing session with the Panel @ \$1,125.00	= \$1,125.00
Hearing Date: October 6, 2006 1 session	
Total Forum Fees	= \$3,375.00

The Panel has assessed \$2,250.00 of the forum fees to Claimant.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents.

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 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 during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,550.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

Respondent LFS is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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

ARBITRATION PANEL

<i>Mary E. Woytek, Esq..</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Vicky L. Orem, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Francis Paul Galletti</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Mary E. Woytek, Esq..
Public Arbitrator, Presiding Chairperson

10/11/06
Signature Date

/s/
Vicky L. Orem, Esq..
Public Arbitrator

10/11/06
Signature Date

Dissenting Arbitrator's Signature

Arbitrator Galletti dissents as to the award of expungement, however he concurs in all other respects.

/s/
Francis Paul Galletti
Non-Public Arbitrator

10/11/06
Signature Date

10/12/06
Date of Service (For NASD Dispute Resolution office use only)

Respondent LFS is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
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