

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
JoAnn Hinks

Case Number: 04-07343

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

Hearing Site: Washington, DC

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

REPRESENTATION OF PARTIES

Claimant, JoAnn Hinks ("Claimant"), hereinafter referred to as "Claimant", was represented by William B. Young, Esq., Hooper & Weiss, LLC, Orlando, Florida.

Respondents, Legacy Financial Services, Inc. ("Legacy") and Joseph R. Karsner, IV ("Karsner"), hereinafter collectively referred to as "Respondents", were represented by George S. Mahaffey, Jr., Esq. and Jeffrey J. Hines, Esq., Goodell, Devries, Leech & Dann, LLP, Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about October 19, 2004.

Claimant signed the Uniform Submission Agreement on October 19, 2004.

Claimant filed Response to Motion to Dismiss on February 21, 2005.

Claimant filed Amended Statement of Claim on March 29, 2005.

Statement of Answer and Motion to Dismiss filed by Respondents on February 8, 2005.

A representative of Respondent Legacy executed the Uniform Submission Agreement on January 13, 2005.

Respondent Karsner did not file a Uniform Submission Agreement with NASD Dispute Resolution.

Respondents filed Response to the Amended Statement of Claim on April 19, 2005.

CASE SUMMARY

Claimant in her Statement of Claim and Amended Statement of Claim alleged that Respondents made unsuitable investment recommendations with regard to her accounts.

In their Statement of Answer and Motion to Dismiss, Respondents denied the allegation of wrongdoing set forth in the Statement of Claim and Amended Statement of Claim and asserted various affirmative defenses.

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RELIEF REQUESTED

Claimant in her Statement of Claim requested:

Compensatory Damages	\$45,224.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents, in their Statement of Answer and Motion to Dismiss, requested that the Statement of Claim and Amended Statement of Claim be dismissed in their entirety and that the Arbitrator award them costs and attorneys' fees

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Karsner did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Arbitrator on all issues submitted.

By Order dated September 20, 2005 the Arbitrator denied Respondents' Motion to Dismiss.

On or about April 26, 2006 the parties entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

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

AWARD

The parties entered into an agreement to present to the Arbitrator a Stipulated Award. Upon motion of all parties for a Stipulated Award, as a result of information and documents obtained during the discovery process that all investments at issue were suitable and that the Respondents are not liable for any of the counts in the Statement of Claim and Amended Statement of Claim, the Arbitrator finds that the claims, allegations and information contained in the Statement of Claim and Amended Statement of Claim are clearly erroneous and that the Respondents were not involved in the alleged investment-related sales practice violations, and hereby grants the parties' motion and enters this award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between the parties, all claims against Respondents are dismissed with prejudice;
2. The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Karsner's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD

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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.

Pursuant to Rule 2130, the Arbitrator has made the following affirmative findings of fact:

The claim, allegation or information is factually impossible or clearly erroneous, and the registered person was not involved in the alleged investment-related sales practice violations.

3. All claims for punitive damages and attorneys' fees are denied in their entirety;
4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein 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	= \$ 175.00
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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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Legacy is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

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

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: May 12, 2005 1 session	

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1. The Arbitrator has assessed \$300.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$300.00 of the forum fees to Respondent Legacy.
3. The Arbitrator has assessed \$300.00 of the forum fees to Respondent Karsner.

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	== \$ 175.00
Forum Fees	== \$ 300.00
<u>Retained Hearing Session Deposit</u>	<u>== \$ 150.00</u>
Total Fees	== \$ 625.00
<u>Less payments</u>	<u>== \$ 625.00</u>
Balance Due NASD Dispute Resolution	== \$ 00.00

2. Respondent Legacy is assessed and shall pay the following fees:

Member Fees	== \$2,625.00
<u>Forum Fees</u>	<u>== \$ 300.00</u>
Total Fees	== \$2,925.00
<u>Less payments</u>	<u>== \$2,625.00</u>
Balance Due NASD Dispute Resolution	== \$ 300.00

3. Respondent Karsner is assessed and shall pay the following fees:

<u>Forum Fees</u>	<u>== \$ 300.00</u>
Total Fees	== \$ 300.00
<u>Less payments</u>	<u>== \$ 00.00</u>
Balance Due NASD Dispute Resolution	== \$ 300.00

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

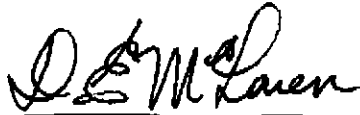
SOLE ARBITRATOR

Douglas Earl McLaren, Esq.

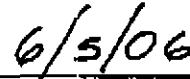
- Sole Public Arbitrator

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Sole Arbitrator's Signature



Douglas Earl McLaren, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date



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