

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Anthony S. Pattee

Case Number: 04-08295

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, Anthony S. Pattee, 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 Jeffrey J. Hines, Esq. and George S. Mahaffey, Jr., Esq., Goodell, Devries, Leech & Dann, LLP, Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on December 2, 2004.

Claimant signed the Uniform Submission Agreement on October 10, 2004.

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

Claimant filed Amended Statement of Claim on or about April 14, 2005.

Statement of Answer and Motion to Dismiss filed by Respondents on February 15, 2005.

Respondents filed Response to Amended Statement of Claim on April 13, 2005.

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

Respondent Karsner signed the Uniform Submission Agreement on May 2, 2005

CASE SUMMARY

Claimant in his Statement of Claim alleged that Respondents made unsuitable investments recommendations with regards to his accounts.

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

RELIEF REQUESTED

Claimant in his Statement of Claim and Amended Statement of Claim requested:

Compensatory Damages	\$136,500.00
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 be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 14, 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 agreed that Respondents are not liable for the counts listed in the Statement of Claim and Amended Statement of Claim and that the investments at issue were suitable.

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 Arbitration Panel (the "Panel") a Stipulated Award. Upon motion of both parties for a Stipulated Award and Claimant's agreements, 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 Panel finds that the claims, allegations and information contained in the Statement of Claim and Amended Statement of Claim are clearly erroneous and that Respondents were not involved in the alleged investment-related sales practice violations. The Panel hereby grants the parties' motion and enters this Stipulated Award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between all parties, all claims against Respondents are dismissed with prejudice;
2. The Panel 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 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 Panel 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	= \$ 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 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	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Forum Fees and Assessments

The Panel 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 Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: May 31, 2005 1 session	
June 28, 2005 1 session	
Total Forum Fees	= \$2,250.00

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

FEE SUMMARY

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

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,425.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 00.00

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

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 00.00

3. Respondents are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less payments	= \$ 00.00
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

Malcolm L. Pritzker, Esq.	-	Public Arbitrator, Presiding Chairperson
Frederick M. Price	-	Public Arbitrator, Panelist
Oscar W. Carlson, Jr.	-	Non-Public Arbitrator, Panelist

NASD Dispute Resolution
Arbitration No. 04-08295
Award Page 5

Concurring Arbitrators' Signatures

Malcolm L. Pritzker

Malcolm L. Pritzker, Esq.
Public Arbitrator, Presiding Chairperson

4/28/06

Signature Date

Frederick M. Price
Public Arbitrator, Panelist

Signature Date

Oscar W. Carlson, Jr.
Non-Public Arbitrator, Panelist

Signature Date

5/2/06

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

Concurring Arbitrators' Signatures

Malcolm L. Pritzker, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Frederick M. Price
Frederick M. Price
Public Arbitrator, Panelist

5/2/06
Signature Date

Oscar W. Carlson, Jr.
Non-Public Arbitrator, Panelist

Signature Date

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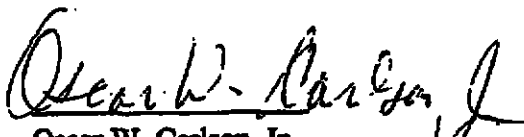
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Non-Public Arbitrator, Panelist


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