

**Amended Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Ronald B. Drinks

Case Number: 05-00275

Name of the Respondent
Legacy Financial Services, Inc.
Joseph R. Karsner, IV
Joe Karsner & Associates

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

For Ronald B. Drinks, hereinafter referred to as "Claimant": Thomas C. Costello, Esq., West & Costello, LLC, Baltimore, MD.

For Legacy Financial Services, Inc. ("LSI"), Joseph R. Karsner, IV ("Karsner"), and Joe Karsner & Associates ("JKA"), hereinafter collectively referred to as "Respondents": Jeffrey J. Hines, Esq. and Christopher M. Corchiarino, Esq., Goodell, DeVries, Leech & Dann, LLP, Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on or about: January 19, 2005.
Claimant signed the Uniform Submission Agreement: January 10, 2005.
Statement of Answer filed by Respondents on or about: March 11, 2005.
Respondent LSI signed the Uniform Submission Agreement: March 31, 2005.
Respondent Karsner signed the Uniform Submission Agreement: March 31, 2005.
Respondent JKA signed the Uniform Submission Agreement: March 11, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: negligent misrepresentation; omission; breach of contract; negligence; negligent supervision; and, unsuitable investment recommendations. The causes of action relate to the purchase of Oppenheimer Main Street Growth & Income, Oppenheimer Capital Appreciation Fund, Neuberger Berman Mid-Cap Fund, a variable annuity contract issued by American Skandia, and Janus Capital Growth Fund in Claimant's account.

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

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, costs, and such other and further relief as justice may require.

Respondents requested that the Statement of Claim be dismissed in its entirety and requested that the undersigned arbitrators (the "Panel") issue an order directing that all references to this proceeding and the underlying complaint be expunged from the NASD Central Registration Depository ("CRD") records of Respondent Karsner, and that Respondents be awarded such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties advised NASD Dispute Resolution that a mediation was held on July 24, 2006, at which time this matter was resolved. Pursuant to the parties' agreement to resolve this matter, the Respondents have the right to move the Panel for expungement without objection by Claimant.

On or about August 17, 2006, the parties filed a proposed Stipulated Award ("Stipulated Award") which recommended expungement of this matter from the NASD CRD records of Respondent Karsner.

On or about August 28, 2006, the Panel entered an order which granted the parties' request for entry of the proposed Stipulated Award.

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

AWARD

After considering the pleadings and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Pursuant to the resolution of this matter reached between all parties, all claims against Respondents LSI, Karsner, and JKA are dismissed, with prejudice.
- 2) The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Karsner's registration records maintained by the 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.

Any and all requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure ("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	= \$ 250.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent LSI is a member firm and party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 4-7, 2006, adjournment by Respondents.	= \$1,000.00
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The Panel assessed 50% of the adjournment fees to Claimant and 50% to Respondents, jointly and severally.

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 three-day cancellation fees were assessed during these proceedings.

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 assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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) Decisions on discovery-related motions on the papers
with one (1) arbitrator @ \$200.00/motion = \$ 400.00
Claimant submitted one (1) discovery-related motion
Respondents submitted one (1) discovery-related motion

One (1) Pre-hearing session with the Panel @ \$1,000.00/session = \$1,000.00
Pre-hearing conference: June 15, 2005 1 session

Total Forum Fees = \$1,400.00

The Panel has assessed \$700.00 of the forum fees to Claimant.
The Panel has assessed \$700.00 of the forum fees to Respondents, jointly and severally.

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 these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 500.00
Forum Fees	= \$ 700.00
Total Fees	= \$1,450.00
Less payments	= \$1,250.00
Balance Due NASD Dispute Resolution	= \$ 200.00

Respondent LSI is solely liable for:

Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 500.00
Forum Fees	= \$ 700.00
Total Fees	= \$1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,200.00

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

ARBITRATION PANEL

William Stephen McGee	-	Public Arbitrator
Chris J. Conanan, Esq.	-	Public Arbitrator
Byron P. Fusini	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
William Stephen McGee
Public Arbitrator

Signature Date

/s/
Byron P. Fusini
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

I dissent from the recommendation for expungement in that there is no factual basis for affirmative findings of fact warranting the recommendation.

/s/
Chris J. Conanan, Esq.
Public Arbitrator

Signature Date

August 31, 2006
Date of Service (For NASD Dispute Resolution use only)

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William Stephen McGee
Public Arbitrator

9/7/06
Signature Date

Byron P. Fusini
Non-Public Arbitrator

Signature Date

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Chris J. Conanan, Esq.
Public Arbitrator

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Signature Date

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