

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Vernon J. Reichmuth

vs.

Case Number: 05-05158

Hearing Location: Omaha, Nebraska

Names of Respondents

Primevest Financial Services, Inc.,
Guaranty Brokerage Services, Inc.,
f/k/a BISYS Brokerage Services, Inc.,
f/k/a Corelink Financial, Inc.,
Louis W. Pofahl,
Investment One, Inc.,
First National Bank of Omaha, and
First National Bank of Norfolk

NATURE OF THE DISPUTE

Customer v. Members, Associated Person, and Non-Members

REPRESENTATION OF PARTIES

Vernon J. Reichmuth ("Claimant") was represented by Tim Engler, Esq., Harding, Schultz & Downs, Lincoln, Nebraska.

Primevest Financial Services, Inc. ("Primevest"), Guaranty Brokerage Services, Inc., f/k/a BISYS Brokerage Services, Inc., f/k/a Corelink Financial, Inc. ("GBS"), and Louis W. Pofahl ("Pofahl") were represented by Rodney K. Vincent, Esq., Vincent Law Offices, Lincoln, Nebraska.

Investment One, Inc., did not submit to arbitration.

First National Bank of Omaha did not submit to arbitration.

First National Bank of Norfolk did not submit to arbitration.

CASE INFORMATION

The Statement of Claim was filed on or about October 3, 2005. The Submission Agreement of Claimant was signed on or about September 29, 2005.

A Statement of Answer was filed jointly by Respondents, Primevest, GBS and Pofahl, on or about January 23, 2006. The Submission Agreement of Respondent, Primevest Financial Services, Inc., was signed on or about January 27, 2006. The Submission Agreement of Respondent, Louis W. Pofahl, was signed on or about January 24, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; misrepresentations; suitability; omission of facts; negligence; and churning. Claimant alleged that Pofahl encouraged him to adopt a new trading strategy of trading on margin. Claimant alleged that the margin trading was concentrated on several risky and highly volatile stocks, including: Level 3 Communication; Gateway 200; Cendant Corporation; LSI Logic Corporation; and Qwest. Claimant asserted that he did not understand the risks of trading on margin and that given his investment experience and risk tolerance, a more conservative trading strategy should have been implemented.

Respondents, Primevest, GBS, and Pofahl, denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimant's claims are barred by the applicable statutes of limitations and equitable principals of law, including the doctrines of laches and unclean hands; the actions and/or inactions of Claimant, under the circumstances, constituted a ratification of all of the complained activity on the part of the Respondents; there were no misrepresentations or omissions of material fact by the Respondents upon which Claimant relied on to his detriment; and the Respondents did not act with any intent to defraud Claimant with reckless disregard of his interests.

Respondents, Primevest, GBS, and Pofahl, filed a Motion to Dismiss and a Memorandum in Support of their Motion to Dismiss on or about May 31, 2006.

Claimant filed a Response in Opposition to the Motion to Dismiss on or about June 6, 2006.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 250,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs (Return of Commissions)	Unspecified

Respondents, Primevest, GBS, and Pofahl, requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondent GBS did not file with NASD Dispute Resolution a properly executed submission to arbitration, but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the Statement of Claim and appeared and testified through counsel at hearing, is bound by the determination of the arbitration panel on all issues submitted.

Respondents, Investment One, Inc., First National Bank of Omaha, and First National Bank of Norfolk, are not a Members of NASD. Investment One, Inc., First National Bank of Omaha, and First National Bank of Norfolk did not voluntarily submit to NASD arbitration, nor were contracts to arbitrate disputes with Investment One, Inc., First National Bank of Omaha, and First National Bank of Norfolk presented. Therefore, Investment One, Inc., First National Bank of Omaha, and First National Bank of Norfolk are not compelled by NASD rules to arbitrate disputes in this forum. In the absence of Investment One, Inc.'s, First National Bank of Omaha's, and First National Bank of Norfolk's voluntary submissions, NASD does not have jurisdiction over these parties.

On or about June 15, 2006, the Panel denied Primevest's, GBS', and Pofahl's Motion to Dismiss. At the arbitration hearing, Respondents, Primevest, GBS, and Pofahl reasserted their Motion to Dismiss. After deliberation, the Panel deferred ruling on the renewed Motion to Dismiss until after the presentation of all evidence in this case.

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.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Primevest's, GBS', and Pofahl's, Motion to Dismiss is granted. As a result, Claimant's claims, each and all, are hereby denied and dismissed with prejudice;
2. Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice; and

3. Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 300.00

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 at the time of the events giving rise to the dispute. In this matter, the member firms are Primevest Financial Services, Inc., and Guaranty Brokerage Services, Inc., f/k/a BISYS Brokerage Services, Inc., f/k/a Corelink Financial, Inc.

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery related Motion on the papers. 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:

One (1) Pre-hearing session with Panel x \$ 1,125.00 = \$ 1,125.00
Pre-hearing conference: March 29, 2006 1 session

Six (6) Hearing sessions with Panel x \$ 1,125.00 = \$ 6,750.00
Hearing Dates: September 12, 2006 2 sessions
September 13, 2006 2 sessions
September 14, 2006 2 sessions

Total Forum Fees = \$ 7,875.00

The Panel has assessed \$7,875.00 of the forum fees to Primevest Financial Services, Inc.

FEE SUMMARY

Claimant, Vernon J. Reichmuth, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due Claimant	= \$ 1,125.00

Respondent, Primevest Financial Services, Inc., is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 7,875.00
Total Fees	= \$ 13,075.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 7,875.00

Respondent, Guaranty Brokerage Services, Inc., f/k/a BISYS Brokerage Services, Inc.,
f/k/a Corelink Financial, Inc., is liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
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

Eric T. Williams, Esq. - Public Arbitrator, Presiding Chair
Larry R. Trussell - Public Arbitrator
Betty R. Crumpton - Non-Public Arbitrator

Concurring Arbitrators:

Eric T. Williams, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Larry R. Trussell
Public Arbitrator

Signature Date

Betty R. Crumpton
Non-Public Arbitrator

Signature Date

9/20/06
Date of Service (NASD use only)

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Concurring Arbitrators


Eric T. Williams, Esq.
Public Arbitrator, Presiding Chair

19 September 2006
Signature Date

Larry R. Trussell
Public Arbitrator

Signature Date

Betty R. Crumpton
Non-Public Arbitrator

Signature Date

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Public Arbitrator

Signature Date

9-20-06
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Larry R. Trussell
Public Arbitrator

Signature Date


Betty R. Crumpton
Non-Public Arbitrator

9-19-06
Signature Date

9/20/06
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