

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

John R. Cosich and Leslie M. Cosich

vs.

Case Number: 06-01955
Hearing Site: Chicago, Illinois

Names of Respondents

Linsco Private Ledger Corp. a/k/a
Linsco/Private Ledger Corp.
and Terry L. Gourley

NATURE OF THE DISPUTE

Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

John R. Cosich and Leslie M. Cosich ("Claimants") were represented by Mark E. Maddox, Esq. and Thomas K. Caldwell, Esq., Maddox, Hargett & Caruso, P.C., Fishers, Indiana.

Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp. ("Linsco") was represented by John S. Monical, Esq., Lawrence, Kamin, Saunders & Uhlenhop, L.L.C., Chicago, Illinois.

Terry L. Gourley ("Gourley") appeared pro se.

CASE INFORMATION

The Statement of Claim was filed on or about April 17, 2006. The Submission Agreement of Claimants was signed on or about February 6, 2006. Claimants filed a Response to Linsco's Motion to Dismiss the Statement of Claim on or about November 8, 2006.

The Statement of Answer was filed by Linsco on or about June 7, 2006. Linsco filed a Motion to Dismiss the Statement of Claim on or about June 7, 2006. The Submission Agreement of Linsco was signed on or about July 10, 2006. Linsco filed a Reply in Support of its Motion to Dismiss on or about December 7, 2006.

The Statement of Answer was filed by Gourley on or about June 8, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: violation of the Illinois Securities Law of 1953; violations of the Illinois Consumer Fraud and Deceptive Practices Act; violations of NASD Conduct Rules Sections 2130, 2110, 2120, and 3010; breach of contract; common law fraud and misrepresentation; breach of fiduciary duty and constructive fraud; respondeat superior; negligence; and negligent supervision. The causes of action related to Claimants' allegation that Respondent Gourley recommended the purchase of 3dshopping.com stock to the Claimants. Claimants alleged that they were not advised of the risks associated with the purchase and that Gourley failed to make certain disclosures about his relationship with 3dshopping.com.

Unless specifically admitted in its Answer, Respondent Linsco denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants' claims for relief are barred by the applicable statutes of limitations and repose; Claimants ratified all trades entered in their accounts; Claimants are estopped from asserting claims for damages; Claimants directed the investments made in their accounts; the Statement of Claim failed to state a claim against Linsco upon which relief can be granted; Linsco is not liable to Claimants in any amount because at all times relevant herein it acted properly; and Claimants assumed the risks of the investments made through Linsco.

Unless specifically admitted in his Answer, Respondent Gourley denied the allegations made in the Statement of Claim and asserted the following: all material and relevant information regarding the merits of 3dshopping.com were disclosed to Claimants; the recommendation to purchase 3dshopping.com was made as a component in an overall strategy of a complete financial plan, Claimants chose to purchase 3dshopping.com only; the recommendations made were suitable based on Claimants' particular investment objectives and needs; Claimants made independent decisions to hold the stock; and Claimants failed to take action to mitigate damages.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$ 200,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief, if any	Unspecified

Respondent Linsco requested that the Statement of Claim be dismissed in its entirety and that it be awarded its costs and attorneys' fees.

Respondent Gourley requested that the claims asserted against him be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file, the undersigned Panel determined that Respondent Gourley has been properly served with the Statement of Claim and received due notice of the pre-hearings, and that arbitration of the matter would proceed without said Respondent Gourley present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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

After consideration of the parties' written submissions and oral arguments, the Panel granted Linsco's Motion to Dismiss the Statement of Claim. The Panel has determined that Claimants' claims against Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp. and Terry L. Gourley are outside the time limitation set forth under Rule 10304 of the NASD Code of Arbitration Procedure.

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 and the oral arguments made during the pre-hearing conferences, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are hereby denied and dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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 firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp.

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 arbitrator, 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 Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conferences: November 1, 2006 1 session	
December 15, 2006 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,250.00

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to John R. Cosich and Leslie M. Cosich.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp. and Terry L. Gourley.

FEE SUMMARY

Claimants, John R. Cosich and Leslie M. Cosich, are jointly and severally liable for:

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	= \$ 0.00

Respondent, Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp., is liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 3,025.00
Balance Due NASD Dispute Resolution	= \$ 2,175.00

Respondents, Linsco Private Ledger Corp. a/k/a Linsco/Private Ledger Corp. and Terry L. Gourley, are jointly and severally liable for:

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

Mark L. Adams - Public Arbitrator, Presiding Chair
Richard T. Sikes, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Mark L. Adams
Public Arbitrator, Presiding Chair

Signature Date

/s/ Richard T. Sikes, Esq.
Richard T. Sikes, Esq.
Public Arbitrator

December 27, 2006
Signature Date

/s/ Jeffrey S. Fannon
Jeffrey S. Fannon
Non-Public Arbitrator

December 27, 2006
Signature Date

December 29, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Mark L. Adams - Public Arbitrator, Presiding Chair
Richard T. Sikes, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Mark L. Adams
Public Arbitrator, Presiding Chair

Richard T. Sikes, Esq.
Public Arbitrator

Jeffrey S. Fannon
Non-Public Arbitrator

Signature Date

12/27/06

Signature Date

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Mark L. Adams - Public Arbitrator, Presiding Chair
Richard T. Sikes, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Mark L. Adams
Public Arbitrator, Presiding Chair

Signature Date

Richard T. Sikes, Esq.
Public Arbitrator

Signature Date

Jeffrey S. Fannon
Non-Public Arbitrator


Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Mark L. Adams - Public Arbitrator, Presiding Chair
Richard T. Sikes, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



Mark L. Adams
Public Arbitrator, Presiding Chair

1/2/07

Signature Date

Richard T. Sikes, Esq.
Public Arbitrator

Signature Date

Jeffrey S. Fannon
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)