

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Barbara Golds, Individually and in her capacity
as Beneficiary of the Jack Golds, IRA, and the
Jack Golds Roth IRA

vs.

Case Number: 09-05805
Hearing Site: Detroit, Michigan

Names of Respondents

LPL Financial Corporation f/k/a Linsco/Private Ledger
Corporation, Legent Clearing, LLC, and
David R. Steckler

NATURE OF THE DISPUTE

Customer vs. Members and Associated Person

REPRESENTATION OF PARTIES

Barbara Golds, Individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA ("Claimant") was represented by David M. Foster, Esq., David M. Foster, P.C., Farmington Hills, Michigan.

LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation ("LPL") was represented by Bradley J. Schram, Esq. and Christopher H. Tovar, Esq., Hertz Schram PC, Bloomfield Hills, Michigan.

Legent Clearing, LLC ("Legent") was represented by David H. Jarvis, Esq., Legent Clearing, LLC, Omaha, Nebraska.

David R. Steckler ("Steckler") was represented by James E. Roach, Esq., Vercruyse, Murray & Calzone, PC, Bingham Farms, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about October 5, 2009. The Submission Agreement of Claimant was signed on or about September 7, 2009. On or about February 9, 2010, Claimant filed a Motion to Deny Respondents, David R. Steckler and Legent Clearing, LLC, the Right to Present Evidence, Facts and Defenses to Claimant's Demand

for Arbitration and Statement of Claim for Failing to File a Timely Answer Pursuant to FINRA Rule 12308 and/or Default Pursuant to FINRA Rule 12801.

The Statement of Answer was filed by LPL on or about January 22, 2010. The Amended Statement of Answer was filed by LPL on or about April 7, 2010. The Submission Agreement of LPL was signed on or about December 18, 2009 by David J. Freniere, Executive Vice President and Deputy General Counsel.

The Statement of Answer was filed by Legent on or about February 12, 2010. On or about February 23, 2010, Legent filed a Response to Claimant's Motion to Deny Respondents, David R. Steckler and Legent Clearing, LLC, the Right to Present Evidence, Facts and Defenses to Claimant's Demand for Arbitration and Statement of Claim for Failing to File a Timely Answer Pursuant to FINRA Rule 12308 and/or Default Pursuant to FINRA Rule 12801

The Statement of Answer was filed by Steckler on or about March 3, 2010. The Submission Agreement of Steckler was signed on or about February 26, 2010. On or about March 3, 2010, Steckler filed a Response to Claimant's Motion to Deny Respondents, David R. Steckler and Legent Clearing, LLC, the Right to Present Evidence, Facts and Defenses to Claimant's Demand for Arbitration and Statement of Claim for Failing to File a Timely Answer Pursuant to FINRA Rule 12308 and/or Default Pursuant to FINRA Rule 12801

CASE SUMMARY

Claimant asserted the following causes of action: violation of section 17(a)(1) of the Securities Exchange Act of 1934, SEC Rule 17a-4 thereunder, and FINRA conduct rules 3310 and 2110; violation of section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; aiding and abetting violations of section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; breach of fiduciary duty for transferring retirement monies using IRA monies to collateralize speculative trading; fraudulent misrepresentation; violations of Michigan Blue Sky Laws; conversion; unjust enrichment; negligence; and breach of contract. The causes of action related to Steckler's recommendation that Claimant transfer all proceeds from her IRA accounts to an account of Enterprise Trust Company ("ETC"). Claimant alleged that ETC was formed by an associate of Steckler and that the ETC clearing broker was Legent. Claimant alleged that ETC was using her IRA proceeds to collateralize speculative margin trading, which Claimant alleged is a violation of Federal law. Claimant alleged that Steckler recommended the investment in ETC to generate large fees; and that the investment caused her to suffer large losses due to the margin trading activity of the investment and the lack of dividend and capital gains payments. Claimant further alleged that LPL failed to supervise Steckler because they failed to detect Steckler's activities that allowed him to convince Claimant to transfer into the ETC account.

Unless specifically admitted in its Answer, LPL denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; no contractual relationship existed between Claimant and LPL; no fiduciary relationship existed between Claimant and LPL; Claimant, at all times, held ultimate control over the investments and any related transactions; Claimant assumed the risks of investing, including the risk of adverse market movement; Claimant's claims failed to establish the existence of any duties owed to Claimant by LPL; Claimant's claims are barred, in whole or in part, by Claimant's assumption of risk; Claimant's alleged losses were caused, in whole or in part, by conditions and events beyond the control of LPL; and Claimant's claims are barred, in whole or in part, by Claimant's failure to mitigate her damages.

Unless specifically admitted in its Answer, Legent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant, nor her husband, were customers of Legent; Legent had no duty to Claimant or her husband; there is no contract between Legent on the one hand, and Claimant and/or Claimant's husband on the other; Legent had no duty to supervise the account of Claimant's husband as the accounts subject to the dispute were not carried by Legent; and any damage allegedly incurred by Claimant was inflicted by the tortious and/or criminal acts of parties that were not affiliated with Legent.

Unless specifically admitted in his Answer, Steckler denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant's claims are barred, in whole or in part, by the equitable doctrines of estoppel, waiver, laches, and/or unclean hands; Steckler is not liable to Claimant for disputes with ETC and/or other persons or parties; any damages suffered by Claimant were caused by persons or entities other than Respondent; Claimant has failed to mitigate her damages, if any; Claimant's claims are barred, in whole or in part, by the statute of limitations and/or statute of frauds; and Claimant and/or Jack Gold lack privity with Steckler or LPL/Linsco.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 793,518.05
Exemplary/Punitive Damages	\$2,380,554.15
Treble Damages	\$2,380,554.15
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

LPL requested that the claims asserted against it be dismissed in their entirety and that it be awarded its costs and attorneys' fees.

Legent requested that the claims asserted against it be dismissed in their entirety and that it be awarded its costs and attorneys' fees.

Steckler requested that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent, Legent Clearing, LLC, did not file with the FINRA Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

In its Order entered on or about May 17, 2010, the Panel determined, after hearing argument and reviewing submitted documents concerning Claimant's Motion to Deny Respondents, David R. Steckler and Legent Clearing, LLC, Right to Present Evidence, Facts and Defenses to Claimant's Demand for Arbitration and Statement of Claim for Failing to File a Timely Answer Pursuant to FINRA Rule 12308 and/or Default Pursuant to FINRA Rule 12801, that the Motion is denied.

On or about November 19, 2010, LPL filed a Motion to Dismiss and Supporting Memorandum of Law. On about December 23, 2010, Claimant filed a Response to LPL's Motion to Dismiss. On or about November 23, 2010, the Panel issued a ruling that the Motion to Dismiss and any Response should be introduced at the hearing. The Motion is denied herein.

At the conclusion of Claimant's case-in-chief, LPL and Steckler each filed a Motion for Directed Verdict.

In its Order entered on or about January 25, 2011, the Panel ordered as follows:

The parties met in Arbitration beginning on January 3, 2011, and continuing through January 14, 2011. Respondent Legent asked to be excused from the Arbitration because Claimant was already involved in a class action suit against it, pertaining to the same set of circumstances. With the Claimant's agreement, the Panel ordered that Respondent Legent be dismissed with prejudice from the present Arbitration.

At the end of Claimant's case-in-chief, the remaining Respondents, LPL Financial Corporation and David R. Steckler, each filed Motions for Directed Verdict.

It is the order of this Arbitration Panel that Respondent LPL Financial Corporation's Motion for Directed Verdict is granted.

It is further ordered that all costs of this Arbitration will be assessed among the parties at the end of the Arbitration.

Remaining parties are ordered to meet to finish this Arbitration beginning on Wednesday, February 16th through Friday, February 18, 2011, as agreed by all the parties.

On or about February 11, 2011, LPL filed a Supplementary Request for Costs. On or about February 11, 2011, the Panel issued a ruling that the Supplementary Request for Costs and any Response should be introduced at the hearing. At the hearing, the Panel allowed that Claimant would have until no later than close of business February 21, 2011, to file a Response to LPL's Supplementary Request for Costs.

On or about February 24, 2011, Claimant filed a Response to LPL's Supplementary Request for Costs and requested oral arguments on the request. On or about February 21, 2011, LPL filed a Rebuttal in Support of its Supplementary Request for Costs. Claimant's Request for Oral Arguments on the Request is denied herein, and LPL's Supplementary Request for Costs is denied herein.

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, the evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, David R. Steckler, is liable for and shall pay to Claimant, Barbara Golds, Individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA, the sum of \$175,000.00 in compensatory damages;
- 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

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

Initial Claim filing fee = \$ 1,800.00

**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, as parties, LPL Financial Corporation and Legent Clearing, LLC are assessed the following:

Member surcharge = \$ 3,350.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,500.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

Five (5) Decisions on discovery-related motions on the papers
with one (1) arbitrator @ \$200.00 = \$ 1,000.00
Claimant submitted one (1) discovery-related motion
LPL submitted one (1) discovery-related motion
Legent submitted one (1) discovery-related motion
Steckler submitted two (2) discovery-related motions

Total Discovery-Related Motion Fees = \$ 1,000.00

The Panel has assessed \$500.00 of the discovery-related motion fees to Barbara Golds, Individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA.

The Panel has assessed \$500.00 of the discovery-related motion fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation, Legent Clearing, LLC, and David R. Steckler.

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena with number one (1) arbitrator @ \$200.00 (maximum of \$600)	= \$ 200.00
Total Contested Motion for Issuance of Subpoenas Fees	= \$ 200.00

The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees to Barbara Golds, Individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA.

The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation, Legent Clearing, LLC, and David R. Steckler.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each hearing session conducted. 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 a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: December 17, 2010	1 session
Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: April 26, 2010	1 session
May 10, 2010	1 session
Twenty-Two (22) Hearing sessions x \$1,200.00	= \$ 26,400.00
Hearing Dates:	
January 3, 2011	2 sessions
January 4, 2011	2 sessions
January 5, 2011	2 sessions
January 6, 2011	2 sessions
January 7, 2011	2 sessions
January 10, 2011	2 sessions
January 11, 2011	2 sessions
January 12, 2011	2 sessions
January 13, 2011	2 sessions
January 14, 2011	2 sessions
February 16, 2011	2 sessions
Total Hearing Session Fees	= \$ 29,250.00

The Panel has assessed \$14,625.00 of the hearing session fees to Barbara Golds, individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA.

The Panel has assessed \$1,425.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation, Legent Clearing, LLC, and David R. Steckler.

The Panel has assessed \$12,000.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation and David R. Steckler.

The Panel has assessed \$1,200.00 of the hearing session fees to David R. Steckler.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Jacqueline R. Fox - Public Arbitrator, Presiding Chair
Michael George Kelly, Sr. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Jacqueline R. Fox
Jacqueline R. Fox
Public Arbitrator, Presiding Chair

March 17, 2011
Signature Date

/s/ Michael George Kelly, Sr.
Michael George Kelly, Sr.
Public Arbitrator

March 16, 2011
Signature Date

/s/ Larry C. Kreul
Larry C. Kreul
Non-Public Arbitrator

March 16, 2011
Signature Date

March 18, 2011
Date of Service (For FINRA office use only)

The Panel has assessed \$14,625.00 of the hearing session fees to Barbara Golds, individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA.

The Panel has assessed \$1,425.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation, Legent Clearing, LLC, and David R. Steckler.


The Panel has assessed \$12,000.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation and David R. Steckler.

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Michael George Kelly, Sr. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Corruing Arbitrators' Signatures

Jacqueline R. Fox
Public Arbitrator, Presiding Chair


Signature Date

Michael George Kelly, Sr.
Public Arbitrator

Signature Date

Larry C. Kreul
Non-Public Arbitrator

Signature Date

Del: of Service (For FINRA office use only)

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The Panel has assessed \$12,000.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation and David R. Steckler.

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Michael George Kelly, Sr. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Jacqueline R. Fox
Public Arbitrator, Presiding Chair

Michael G. Kelly

Michael George Kelly, Sr.
Public Arbitrator

Signature Date

3/16/2011

Signature Date

Larry C. Kreul
Non-Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

The Panel has assessed \$14,825.00 of the hearing session fees to Barbara Golds, individually and in her capacity as Beneficiary of the Jack Golds, IRA, and the Jack Golds Roth IRA.

The Panel has assessed \$1,425.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation, Legent Clearing, LLC, and David R. Steckler.

The Panel has assessed \$12,000.00 of the hearing session fees jointly and severally to LPL Financial Corporation f/k/a Linsco/Private Ledger Corporation and David R. Steckler.

The Panel has assessed \$1,200.00 of the hearing session fees to David R. Steckler.

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ARBITRATION PANEL

Jacqueline R. Fox - Public Arbitrator, Presiding Chair
Michael George Kelly, Sr. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Jacqueline R. Fox
Public Arbitrator, Presiding Chair

Signature Date

Michael George Kelly, Sr.
Public Arbitrator

Signature Date



Larry C. Kreul
Non-Public Arbitrator

3/16/11

Signature Date

Date of Service (For FINRA office use only)