

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard Fuchs, (Claimant) vs. Legg Mason Wood Walker, Incorporated, (Respondent)

Case Number: 01-02368

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Richard Fuchs, hereinafter referred to as "Claimant": Mitchell H. Cobert, Esq., Attorney at Law, Morristown, NJ. Claimant originally appeared *pro se*.

Respondent, Legg Mason Wood Walker, Incorporated, hereinafter referred to as "Respondent": Sheila Mosmiller Vidmar, Esq., Deputy General Counsel, Legg Mason Wood Walker, Incorporated.

CASE INFORMATION

Statement of Claim filed on or about: May 4, 2000.

Claimant signed the Uniform Submission Agreement: May 4, 2001.

Statement of Answer filed by Respondent on or about: July 16, 2001.

Respondent signed the Uniform Submission Agreement: July 16, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: failure to follow instructions; negligence; and failure to supervise.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action upon which relief may be granted; Respondent acted in good faith at all times and at no time did Respondent commit, directly or indirectly, any acts which could give rise to a valid claim by Claimant; Claimant expressly ordered, approved, ratified, authorized, and/or participated in the transactions about which he now complains and upon which he seeks recovery; Claimant failed to use the requisite due diligence in monitoring, trading, managing, and handling his own accounts; Claimant voluntarily assumed the risk of investing in the stock market and therefore is precluded from recovering herein; Claimant controlled the accounts at all times; any loss which Claimant may have suffered was caused by his own conduct or negligence; Claimant's claims are barred by the doctrines of waiver, estoppel, and ratification; and Claimant failed to mitigate damages.

RELIEF REQUESTED

Claimant requested compensatory damages in the approximate amount of \$295,033.00, plus consequential damages, interest, costs, punitive damages, and such other relief as the Panel may deem appropriate.

Respondent requested:

- a. Dismissal of the Statement of Claim;
- b. That Claimant take nothing by way of the claim;
- c. That Respondent be awarded costs and expenses incurred in defending this claim; and
- d. That Respondent be given such other relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

1. Claimant's claims are hereby dismissed in their entirety.
2. All other requests for relief are hereby denied.

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 firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Legg Mason Wood Walker, Incorporated is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: December 17, 2001	1 session
February 11, 2002	1 session
Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: July 18, 2002	2 sessions
July 19, 2002	2 sessions
Total Forum Fees	= \$6,750.00

1. The Panel has assessed \$3,375.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,375.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,375.00
Total Fees	= \$3,675.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,250.00

2. Respondent be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Forum Fees</u>	<u>= \$3,375.00</u>
Total Fees	= \$7,975.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution	= \$3,375.00

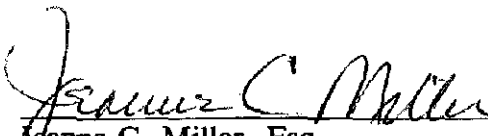
All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Jeanne C. Miller, Esq.	-	Public Arbitrator, Presiding Chair
Richard D. DeKoster	-	Public Arbitrator
Eric J. Sussman, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Jeanne C. Miller, Esq.
Public Arbitrator, Presiding Chair

8/15/02

Signature Date

Richard D. DeKoster
Public Arbitrator

Signature Date

Eric J. Sussman, Esq.
Non-Public Arbitrator

Signature Date

August 15, 2002

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

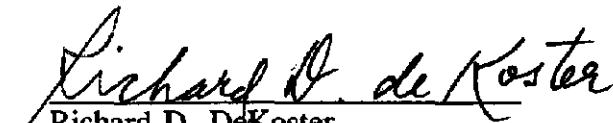
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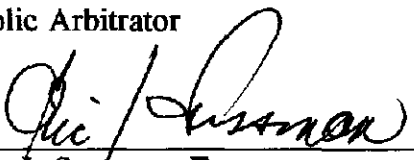
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Public Arbitrator, Presiding Chair

Signature Date

Richard D. DeKoster
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Signature Date


Eric J. Sussman, Esq.
Non-Public Arbitrator

8/5/02
Signature Date

August 15, 2002

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