

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Charles J. Mailman, Individually and as former Trustee of the Chasma Scientific, Inc. Profit Sharing Plan and Trust and Chasma Scientific, Inc. (Claimants) vs. Legg Mason Wood Walker, Inc. and A.C. Barnes McNevin, III (Respondents)

Case Number: 03-1130

Hearing Site: Boston, Massachusetts

REPRESENTATION OF PARTIES

Claimants Charles J. Mailman, Individually ("Mailman") and as former Trustee of the Chasma Scientific, Inc. Profit Sharing Plan and Trust, ("Mailman former Trustee") and Chasma Scientific, Inc., ("Chasma Scientific") hereinafter referred to as "Claimants": Richard M. Gelb, Esq., Gelb & Gelb, LLP, Boston, MA.

Respondents Legg Mason Wood Walker, Inc., ("Legg Mason") and A.C. Barnes McNevin, III ("McNevin") hereinafter referred to as "Respondents": Jason W. Gaarder, Esq., Legg Mason Wood Walker, Inc., Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on or about: February 13, 2003.

Claimants filed an Opposition to Motion to Dismiss: May 15, 2003.

Claimants filed Supplemental Opposition to Motion to Dismiss: January 20, 2004.

Claimants signed the Uniform Submission Agreement: February 12, 2003.

Statement of Answer, Motion to Dismiss and Motion for a More Definite Statement filed by Respondents on or about: April 11, 2003.

Respondents filed a Supplemental Motion to Dismiss: January 22, 2004.

Respondent Legg Mason signed the Uniform Submission Agreement on or about: April 11, 2003.

Respondent McNevin signed the Uniform Submission Agreement: April 24, 2003.

CASE SUMMARY

Claimants alleged that Legg Mason and Respondent McNevin were liable in contribution and/or indemnification for any amounts that Claimants might have to pay the Department of Labor as a result of certain litigation pursued by the Department of Labor against Claimants.

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

RELIEF REQUESTED

Claimants requested unspecified damages, plus interest, attorneys' fees and costs.

Respondents requested dismissal of the Claimants' Statement of Claim, an award of costs and expenses incurred in defending Claimants' claim and such other relief as is just and proper. Respondent McNevin requests that the Form U-4 filed by Legg Mason regarding this arbitration proceeding complaint be ordered expunged from his CRD.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 26, 2004, the Panel denied Respondents' Motion to Dismiss.

On or about May 5, 2006, the parties agreed to a settlement and requested that the Panel enter a Stipulated Award in this matter.

The parties 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 parties' agreement, and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Legg Mason, Respondent McNevin and the Claimants have agreed to settle this matter. Claimants withdrew all claims against Respondents, and therefore this action is dismissed as to Respondents.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent McNevin's registration records maintained by the Central Registration Depository "CRD", with the understanding that, pursuant to NASD Notice to Members 99-09 and 99-54, Respondent McNevin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Except as otherwise specified below, each party shall bear its own costs and attorney's fees.

4. Any and all relief not specifically addressed herein is 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	= \$ 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, Legg Mason Wood Walker, Inc. is a 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:

May 9-11, 2006 adjournment by all parties	= Waived
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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. Forum fees associated with these proceedings are:

Three (3) Pre-hearing conference sessions with the Panel @ \$1000.00	= \$3,000.00
Pre-hearing conferences: September 17, 2003	
November 14, 2003	
February 24, 2004	

Total Forum Fees	= \$ 3,000.00
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1. The Panel has assessed \$500.00 of the forum fees jointly and severally against Claimants for the September 17, 2003 pre-hearing conference.
2. The Panel has assessed \$500.00 of the forum fees jointly and severally against Respondents for the September 17, 2003 pre-hearing conference.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant Mailman has been assessed \$400.00 of the remaining forum fees.

4. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant Mailman former Trustee has been assessed \$400.00 of the remaining forum fees.
5. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant Chasma Scientific has been assessed \$400.00 of the remaining forum fees.
6. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Legg Mason has been assessed \$400.00 of the remaining forum fees.
7. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent McNevin has been assessed \$400.00 of the remaining forum fees.

FEE SUMMARY

1. Claimants are jointly and severally liable for:	
Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 750.00
Less payments	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 0.00
2. Claimant Mailman is liable for:	
Forum Fees	= \$ 400.00
Total Fees	= \$ 400.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 400.00
3. Claimant Mailman former Trustee is liable for:	
Forum Fees	= \$ 400.00
Total Fees	= \$ 400.00
Less payments	= \$ 400.00
Balance Due NASD Dispute Resolution	= \$ 0.00
4. Claimant Chasma Scientific is liable for:	
Forum Fees	= \$ 400.00
Total Fees	= \$ 400.00
Less payments	= \$ 100.00
Balance Due NASD Dispute Resolution	= \$ 300.00
5. Respondent Legg Mason is solely liable for:	
Member Fees	= \$4,450.00
Forum Fees	= \$ 400.00
Total Fees	= \$4,850.00
Less payments	= \$2,250.00
Balance Due NASD Dispute Resolution	= \$2,600.00

6. Respondents are jointly and severally liable for:

Forum Fees	= \$500.00
Total Fees	= \$500.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$500.00

7. Respondent McNevin is solely liable for:

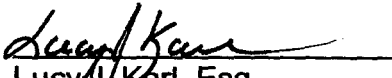
Forum Fees	= \$400.00
Total Fees	= \$400.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$400.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Lucy J. Karl, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerard S. Marsan, Esq.	-	Public Arbitrator
Richard C. Toland	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Lucy J. Karl, Esq.
Public Arbitrator, Presiding Chairperson

6/30/06

Signature Date

Gerard S. Marsan, Esq.
Public Arbitrator

Signature Date

Richard C. Toland
Non-Public Arbitrator

Signature Date

September 12, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

Lucy J. Karl, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerard S. Marsan, Esq.	-	Public Arbitrator
Richard C. Tuland	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lucy J. Karl, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Gerard S. Marsan, Esq.
Public Arbitrator

6-28-06

Signature Date

Richard C. Tuland
Non-Public Arbitrator

Signature Date

September 12, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Lucy J. Karl, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerard S. Marsan, Esq.	-	Public Arbitrator
Richard C. Toland	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

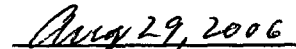
Lucy J. Karl, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Gerard S. Marsan, Esq.
Public Arbitrator

Signature Date


Richard C. Toland
Non-Public Arbitrator


Signature Date

September 12, 2006
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