

**Stipulated Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants

Leonard May  
Diane May

Case Number: 03-01628

Names of the Respondents

Legg Mason Wood Walker, Inc.  
Robert W. Hoey  
George D. Eggers, III

Hearing Site: Philadelphia, PA

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Nature of the Dispute: Customers v. Member and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimants, Leonard May and Diane May, hereinafter collectively referred to as "Claimants", were represented by Nicholas J. Guiliano, Esq., Attorney at Law, Philadelphia, Pennsylvania.

Respondents, Legg Mason Wood Walker, Inc. ("Legg Mason") Robert W. Hoey ("Hoey") and George D. Eggers, III ("Eggers"), hereinafter collectively referred to as "Respondents", were represented by Jason W. Gaarder, Esq., Legg Mason Wood Walker, Inc., Baltimore, Maryland.

**CASE INFORMATION**

Statement of Claim filed on March 6, 2003.

Claimants signed the Uniform Submission Agreement on January 31, 2003.

Statement of Answer filed by Respondents on May 2, 2003.

A representative of Respondent Legg Mason signed the Uniform Submission Agreement on May 2, 2003.

Respondents Hoey and Eggers did not file Uniform Submission Agreements with NASD Dispute Resolution.

**CASE SUMMARY**

Claimants, in their Statement of Claim, asserted the following causes of action, among others: omission of facts, suitability, deceptive trade practices, breach of fiduciary duty, misrepresentation, breach of contract, negligence, and failure to supervise. The causes of action relate to the purchase and sale of various unspecified securities.

Unless specifically admitted in their Statements of Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants' claims are barred by the doctrines of estoppel, ratification, and waiver; failure to use due diligence; contributory negligence; assumption of the risk; authorization; failure to mitigate damages; and failure to state a claim upon which relief may be granted.

**RELIEF REQUESTED**

**Claimants requested:**

Compensatory Damages	\$ 152,000.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested that all claims be dismissed and that they be awarded all costs and expenses in connection with the arbitration.

**OTHER ISSUES CONSIDERED AND DECIDED**

Respondents Hoey and Eggers did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

Prior to the hearing, the parties fully and finally settled all claims by and between them. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

**AWARD**

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That the parties have amenablely resolved their differences and have requested this Stipulated Award;
2. That Claimants have dismissed all claims with prejudice against Respondents;
3. That the Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Hoey's registration records maintained by the CRD with the understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Hoey must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
4. That each party shall bear its own costs and expenses, including attorneys' fees, except as Fees are specifically addressed below; and
5. That any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 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. Accordingly, Respondent Legg Mason is a party.

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 session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$ 450.00 = \$ 450.00  
Pre-hearing conference: February 20, 2004 1 session

One (1) Pre-hearing session with Panel @ \$ 1,125.00 = \$ 1,125.00  
Pre-hearing conference: November 7, 2003 1 session

Total Forum Fees = \$ 1,575.00

1. The Panel has assessed \$ 393.75 of the forum fees to Claimants.
2. The Panel has assessed \$ 393.75 of the forum fees to Respondent Legg Mason.
3. The Panel has assessed \$ 393.75 of the forum fees to Respondent Hoey.
4. The Panel has assessed \$ 393.75 of the forum fees to Respondent Eggers.

### **Fee Summary**

1. Claimants are assessed and shall pay:

Initial Filing Fee = \$ 300.00  
Forum Fees = \$ 393.75  
Total Fees = \$ 693.75  
Less payments = \$ 1,425.00  
Refund owed Claimants = \$ 731.25

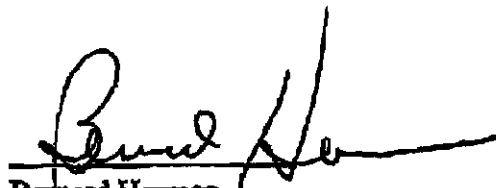
2. Respondent Legg Mason is assessed and shall pay:	
Member Fees	= \$ 5,200.00
Forum Fees	= \$ 393.75
Total Fees	= \$ 5,593.75
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 393.75
3. Respondent Hoey is assessed and shall pay:	
Forum Fees	= \$ 393.75
Total Fees	= \$ 393.75
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 393.75
4. Respondent Eggers is assessed and shall pay:	
Forum Fees	= \$ 393.75
Total Fees	= \$ 393.75
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 393.75

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

**ARBITRATION PANEL**

Bernard Herman	-	Public Arbitrator, Presiding Chairperson
Jack M. Marden, Esq.	-	Public Arbitrator, Panelist
John T. Hausladen	-	Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**



**Bernard Herman**

**Public Arbitrator, Presiding Chairperson**

28 June 2004

**Signature Date**

**John T. Hausladen**  
**Non-Public Arbitrator, Panelist**

**Signature Date**

**Dissenting Arbitrator's Signatures**

**Jack M. Marden, Esq.**  
**Public Arbitrator, Panelist**

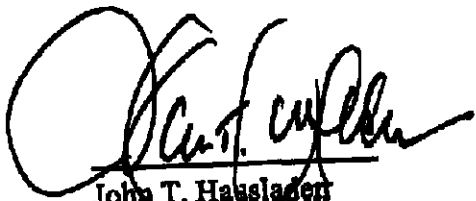
**Signature Date**

July 13, 2004  
**Date of Service (For NASD Dispute Resolution office use only)**

**Concurring Arbitrators' Signatures**

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Bernard Herman  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
John T. Haasladen  
Non-Public Arbitrator, Panelist

6/30/04  
\_\_\_\_\_  
Signature Date

**Dissenting Arbitrator's Signatures**

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Jack M. Marden, Esq.  
Public Arbitrator, Panelist

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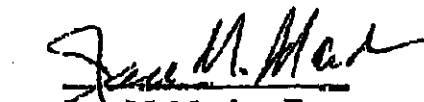
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Public Arbitrator, Presiding Chairperson

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John T. Hausladen  
Non-Public Arbitrator, Panelist

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Signature Date

**Dissenting Arbitrator's Signatures**

  
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Jack M. Marden, Esq.  
Public Arbitrator, Panelist

7/2/04  
\_\_\_\_\_  
Signature Date

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