

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Roger Miller, Jr., Patricia Miller, Linda Miller, and Linda Miller as Custodian of the Linda Miller IRA (Claimants) v. William E. James, II and Legg Mason Wood Walker, Inc., (Respondents)

Case Number: 03-06484

Hearing Site: Columbus, Ohio

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Roger Miller, Jr. ("R. Miller"), Patricia Miller ("P. Miller"), Linda Miller ("L. Miller") and Linda Miller as Custodian of the Linda Miller IRA ("L. Miller IRA"): Philip D. Sever, Esq., Cohen & Malad, LLP, Indianapolis, IN. Previously represented by: Philip D. Sever, Esq., The Sever Law Firm, Brecksville, OH.

Respondent, William E. James, II ("James"): Dennis J. Concilla, Esq. and Douglas R. Jennings, Esq., Carlile Patchen & Murphy LLP, Columbus, OH. Previously represented by: Jason W. Gaarder, Esq., Legg Mason Wood Walker, Inc., Baltimore, MD.

Respondent Legg Mason Wood Walker, Inc. ("Legg Mason"): Sheila M. Vidmar, Esq., Deputy General Counsel, previously Jason W. Gaarder, Esq., Legg Mason Wood Walker, Inc., Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on or about: September 3, 2003.

Claimants signed the Uniform Submission Agreement: August 6, 2003.

Joint Statement of Answer filed by Respondents on or about: December 17, 2003.

Respondent James signed the Uniform Submission Agreement: March 30, 2004.

Respondent Legg Mason signed the Uniform Submission Agreement: December 17, 2003

CASE SUMMARY

Claimants asserted the following causes of action: suitability, negligence, breach of fiduciary duty, breach of contract, fraud, and failure to supervise. The causes of action relate to shares of common stock, municipal bond funds, and corporate bonds.

Unless specifically admitted in their Answer, Respondents denied the allegations of

wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants R. and P. Miller requested compensatory damages of \$682,000.00. Claimant L. Miller requested compensatory damages of \$135,000.00. Claimants also requested an award of costs, expenses, attorneys' fees, prejudgment and post-judgment interest, disgorgement of Respondents' commissions and compensation, punitive damages, and other and further relief the Arbitration Panel deems just and proper.

Respondents requested dismissal of the Statement of Claim in its entirety, costs and expenses, expungement of all record of the proceedings from the Central Registration Depository, and such other relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 4, 2005, the parties advised the NASD that a Settlement had been reached in which Claimants agreed to enter into this Stipulated Award directing expungement of this matter from the registration records maintained by the Central Registration Depository ("CRD") of the NASD for Respondent William E. James, II.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. All claims against William E. James, II, and Legg Mason Wood Walker, Inc. in NASD-DR Case No. 03-06484 are hereby dismissed with prejudice.
2. The panel recommends the expungement of all reference to the above captioned arbitration from Respondent, William E. James, II's, registration records maintained with the NASD Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent William E. James, II, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All parties to the above-captioned arbitration agree to bear their own costs and attorneys' fees.

4. 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 = \$375.00

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, Legg Mason Wood Walker, Inc. is a party.

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

The following adjournment fees are assessed:

December 14-17, 2004, joint adjournment request	= \$1,200.00
Claimants' share	= \$600.00
Respondents' share	= \$600.00

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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
<u>Pre-Hearing Conference: June 11, 2004 1 session</u>	<u></u>
Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$1,575.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Legg Mason is solely liable for:

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$1,200.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 600.00

All balances are due and payable to NASD Dispute Resolution.


Parties' Signatures



Philip Sever
Counsel for Claimants,
Roger Miller, Jr.
Patricia Miller
Linda Miller

2-15-2005

Signature Date



Dennis J. Concilla
Counsel for Respondent,
William E. James, II

Signature Date

Jason W. Gaarder
Counsel for Respondent,
Legg Mason Wood Walker, Incorporated

Signature Date

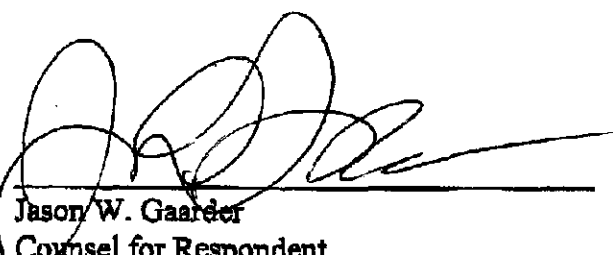
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Philip Sever
Counsel for Claimants,
Roger Miller, Jr.
Patricia Miller
Linda Miller

Signature Date

Dennis J. Concilla
Counsel for Respondent,
William E. James, II

Signature Date



Jason W. Gaarde
Counsel for Respondent,
Legg Mason Wood Walker, Incorporated

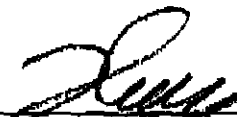
2/14/05

Signature Date

ARBITRATION PANEL

Thomas J. Bonasera, Esq.	-	Public Arbitrator, Presiding Chair
Walter W. Kocher	-	Public Arbitrator
John B. Glueckert	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Thomas J. Bonasera, Esq.
Public Arbitrator, Presiding Chair

3/17/05

Signature Date

Walter W. Kocher
Public Arbitrator

Signature Date

John B. Glueckert
Non-Public Arbitrator

Signature Date

June 15, 2005

Date of Service (For NASD office use only)


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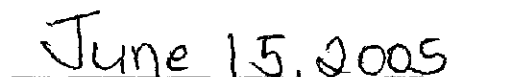
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Public Arbitrator



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John B. Glueckert
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Thomas J. Bonasera, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Walter W. Kocher
Public Arbitrator

Signature Date



John B. Glueckert
Non-Public Arbitrator

3-11-05

Signature Date

June 15, 2005
Date of Service (For NASD office use only)