

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants
Herbert and Joan Gottlieb

Case Number: 05-05336

Name of Respondent
Legg Mason Wood Walker, Inc.

Hearing Site: Baltimore, Maryland

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Herbert and Joan Gottlieb, hereinafter collectively referred to as "Claimants":
Randy S. Cohn, Esq., SimmonsCooper, LLC, East Alton, Illinois.

For Legg Mason Wood Walker, Inc. ("LMWW"), hereinafter referred to as "Respondent":
Jason W. Gaarder, Associate General Counsel, Legg Mason Wood Walker, Inc.,
Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: October 17, 2005.
Claimants signed the Uniform Submission Agreement: August 28, 2005.
Motion to Dismiss and Statement of Answer filed by Respondent on or about:
December 8, 2005.
Respondent signed the Uniform Submission Agreement: December 8, 2005.
Claimants' Response to Respondent's Motion to Dismiss filed on or about: June 5,
2006.
Respondent's Reply to Opposition to Motion to Dismiss filed on or about: June 19,
2006.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; breach of contract; violation of the Maryland Securities Act; violation of the Maryland Consumer Protection Act; negligence; and, negligent misrepresentation. The causes of action relate to, but are not limited to, Claimants' investments in stocks, Class B mutual fund shares, unit investment trusts, proprietary equity funds, limited partnerships, and annuities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$419,000.00; unspecified punitive damages to be determined at the time of hearing; costs; reasonable attorneys' fees pursuant to the Maryland Securities Act and the Maryland Consumer Protection Act; 10% pre-judgment interest pursuant to the Maryland Securities Act; and, whatever additional relief the undersigned arbitrators (the "Panel") believe just and within their authority.

Respondent requested pre-hearing dismissal of the Statement of Claim; that Claimants take nothing by way of the Claim; that Respondent be awarded costs and expenses; and, that Respondent be awarded such other relief as deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent filed a Motion to Dismiss in which Respondent asserted, among other things, that the claim is barred by the Maryland Statute of Limitations. In their response, Claimants asserted, among other things, that Motions to Dismiss are not permitted in NASD Arbitration Proceedings and that Claimants complied with the time limitations set forth in the Rule 10304 of the NASD Code of Arbitration Procedure (the "Code"). On or about July 17, 2006, the Panel issued an Order granting Respondent's Motion to Dismiss, with prejudice, on the grounds that the claim is barred by the Maryland Statute of Limitations.

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 and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All Claimants' claims are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and Claimants' request for attorneys' fees pursuant to the Maryland Securities Act and the Maryland Consumer Protection Act, are 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent LMWW is a party and was a member firm at the time that member fees accrued.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: April 28, 2006 1 session	
Total Forum Fees	= \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimants, jointly and severally.
The Panel has assessed \$562.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to,

additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 562.50
Total Fees	= \$5,762.50
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

ARBITRATION PANEL

Marvin Elster, Esq.	-	Public Arbitrator, Presiding Chairperson
Arthur L. Beamon, Esq.	-	Public Arbitrator
C. Gregory Ellison	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

<u>/s/</u>	<u>07/25/06</u>
Marvin Elster, Esq.	Signature Date
Public Arbitrator, Presiding Chairperson	

<u>/s/</u>	<u>07/25/06</u>
Arthur L. Beamon, Esq.	Signature Date
Public Arbitrator	

<u>/s/</u>	<u>07/25/06</u>
C. Gregory Ellison	Signature Date
Non-Public Arbitrator	

07/25/06
Date of Service (For NASD Dispute Resolution office use only)

additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 582.50
Total Fees	= \$ 862.50
<u>Less payments</u>	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

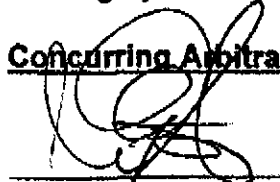
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Concurring Arbitrators' Signatures



Marvin Elster, Esq.
Public Arbitrator, Presiding Chairperson

JULY 25, 2006
Signature Date

Arthur L. Beamon, Esq.
Public Arbitrator

Signature Date

C. Gregory Ellison
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

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Public Arbitrator, Presiding Chairperson

Arthur L. Beamon
Arthur L. Beamon, Esq.
Public Arbitrator

Signature Date

07-25-06

Signature Date

C. Gregory Ellison
Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

Arthur L. Beamon, Esq.
Public Arbitrator

Signature Date



C. Gregory Ellison
Non-Public Arbitrator

7/25/06

Signature Date

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