

**Award**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Patricia L. Coughlin Individually and on behalf of the Patricia L. Coughlin Rollover IRA (Claimants) vs. Legg Mason Wood Walker, Inc. (Respondent)

Case Number: 05-05632

Hearing Site: Providence, Rhode Island

---

Nature of the Dispute: Customers vs. Member.

**REPRESENTATION OF PARTIES**

Claimants Patricia L. Coughlin Individually ("Coughlin") and on behalf of the Patricia L. Coughlin Rollover IRA ("Coughlin IRA"), hereinafter collectively referred to as "Claimants": Stacey Nakasian, Esq. and Robert M. Duffy, Esq., Duffy Sweeny & Scott, Ltd., Providence, RI. Previously represented by William A. Jacobson, Esq., and Shanna L. Pitts, Esq., Law Offices of William A. Jacobson, Inc., Providence, RI.

Respondent Legg Mason Wood Walker, Inc. ("Legg Mason") hereinafter referred to as "Respondent": Paula D. Shaffner, Esq., Saul Ewing LLP, Philadelphia, PA. Previously represented by Gretchen Klebasko, Esq., Legg Mason & Co., LLC, Baltimore, MD.

**CASE INFORMATION**

Statement of Claim filed on or about: November 4, 2005.  
Claimant Coughlin signed the Uniform Submission Agreement: November 3, 2005.  
Claimant Coughlin IRA did not submit the Uniform Submission Agreement.

Statement of Answer filed by Respondent on or about: January 31, 2006.  
Respondent signed the Uniform Submission Agreement: January 27, 2006.

**CASE SUMMARY**

Claimants asserted the following causes of action: suitability. The cause of action relates to unspecified securities.

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 \$350,000.00, punitive damages in the amount of \$350,000 plus interest, costs including reasonable attorneys'

fees and such other and further relief as the arbitrators deem just.

Respondent requested the dismissal of the Statement of Claim in its entirety, an award of its costs and expenses incurred in defending the Claim and that Respondent be given such other relief as is just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

At the beginning of the hearing, Respondent moved to dismiss the claims on the basis of statute of limitations. The parties were directed to submit briefs on the issue. After due deliberation, the Panel denied the motion.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Legg Mason is liable for and shall pay to Claimant Patricia L. Coughlin compensatory damages in the amount of \$170,000.00 plus interest at the rate of twelve percent per annum from the date of the award until the award is paid.
2. 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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Legg Mason Wood Walker, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

#### **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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: March 8, 2006 1 session	
Six (6) Hearing sessions @ \$1,200.00 per session	= \$7,200.00
Hearing Dates: October 4, 2006 2 sessions	
October 6, 2006 2 sessions	
October 9, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$8,400.00

1. The Panel has assessed \$4,200.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$4,200.00 of the forum fees to Respondent.

**Fee Summary**

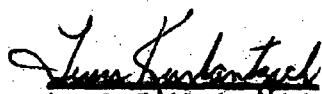
1. Claimants are solely liable for:	
Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 4,200.00
<hr/> Total Fees	<hr/> = \$ 4,575.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00
2. Respondent is solely liable for:	
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 4,200.00
<hr/> Total Fees	<hr/> = \$11,200.00
Less payments	= \$ 7,750.00
Balance Due NASD Dispute Resolution	= \$ 3,450.00

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

**ARBITRATION PANEL**

Lewis S. Kurlantzick	-	Public Arbitrator, Presiding Chairperson
Sandor I. Rabkin, Esq.	-	Public Arbitrator
Dennis M. Cronin, Jr., Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Lewis S. Kurlantzick  
Public Arbitrator, Presiding Chairperson

10/31/06  
Signature Date

Sandor I. Rabkin, Esq.  
Public Arbitrator

                      
Signature Date

Dennis M. Cronin, Jr., Esq.  
Non-Public Arbitrator

                      
Signature Date

November 1, 2006

Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

Lewis S. Kurlantzick	-	Public Arbitrator, Presiding Chairperson
Sandor I. Rabkin, Esq.	-	Public Arbitrator
Dennis M. Cronin, Jr., Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Lewis S. Kurlantzick  
Public Arbitrator, Presiding Chairperson

Signature Date

Sandor I. Rabkin Esq.  
Sandor I. Rabkin, Esq.  
Public Arbitrator

October 31, 2006  
Signature Date

Dennis M. Cronin, Jr., Esq.  
Non-Public Arbitrator

Signature Date

**November 1, 2006**

Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

Lewis S. Kurlantzick	-	Public Arbitrator, Presiding Chairperson
Sandor I. Rabkin, Esq.	-	Public Arbitrator
Dennis M. Cronin, Jr., Esq.	-	Non-Public Arbitrator

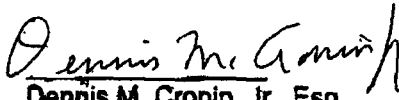
**Concurring Arbitrators' Signatures**

Lewis S. Kurlantzick  
Public Arbitrator, Presiding Chairperson

Signature Date

Sandor I. Rabkin, Esq.  
Public Arbitrator

Signature Date

  
Dennis M. Cronin, Jr., Esq.  
Non-Public Arbitrator

10/31/06  
Signature Date

**November 1, 2006**

Date of Service (For NASD Dispute Resolution use only)