

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Marinco Ag (Claimant) vs. Legg Mason Wood Walker, Incorporated and Candid H. Peyer (Respondents)

Case Number: 05-05860

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Marinco Ag hereinafter referred to as "Claimant": M. Brooks Savage, Esq., Abed & Savage, Washington, DC.

Respondents Legg Mason Wood Walker, Incorporated ("Legg Mason") and Candid H. Peyer ("Peyer") hereinafter collectively referred to as "Respondents" Joseph M. Fairbanks, Esq. and Charles Curlett, Saul Ewing LLP, Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on or about: November 17, 2005.

Claimant signed the Uniform Submission Agreement: November 11, 2005.

Joint Statement of Answer filed by Respondents filed on or about: January 31, 2006.

Legg Mason signed the Uniform Submission Agreement: January 25, 2006.

Peyer signed the Uniform Submission Agreement: February 17, 2006.

RELIEF REQUESTED

Claimant requested \$1,023,092.00 in compensatory damages, \$2,000,000.00 in punitive damages, interest, attorneys' fees and costs.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearing, after Claimant concluded presenting his case, Claimant moved to re-open the matter for the purposes of introducing a quarterly statement into evidence. After due deliberation, the Panel denied Claimant's Motion to Re-Open for failure to make proper pre-hearing disclosures per NASD Rules and the Panel's November 29, 2006 Order.

During the hearing Respondents Moved to Dismiss Claimant's Claims on Grounds of Statute of Limitations and Failure to Prove a Prima Facie Case. After due deliberation, the Panel reserved decision on Respondents' Motion to Dismiss.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed.

AWARD

After considering the pleadings, the testimony, evidence presented at the hearings, 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 compensatory damages in the amount of \$75,000.00.
2. Claimant's claims against Respondent Peyer are dismissed in their entirety.
3. 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	= \$ 600.00
--------------------------	-------------

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 persons at the time of the events giving rise to the dispute. Accordingly, Legg Mason Wood Walker, Incorporated is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 per session	= \$ 2,400.00
--	---------------

Pre-hearing conferences: May 22, 2006 1 session
November 3, 2006 1 session

Eight (8) Hearing sessions with Panel @ \$1,200.00 per session = \$ 9,600.00

Hearing Dates: December 5, 2006 1 session
December 6, 2006 2 sessions
December 13, 2006 2 sessions
December 14, 2006 2 sessions
December 19, 2006 1 session

Total Forum Fees = \$12,000.00

1. The Panel has assessed \$6,000.00 of the forum fees to the Claimant.
2. The Panel has assessed \$6,000.00 of the forum fees to Respondent Legg Mason.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$ 6,600.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,800.00

2. Respondent Legg Mason Wood Walker, Incorporated is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$14,550.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 6,000.00

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

ARBITRATION PANEL

Arthur M. Handler, Esq.,	-	Public Arbitrator, Presiding Chairperson
Michael E. Silverman, Esq.	-	Public Arbitrator
Harry J. Lundgren, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Arthur M. Handler, Esq.
Public Arbitrator, Presiding Chairperson

1/2/07
Signature Date

Michael E. Silverman, Esq.
Public Arbitrator

Signature Date

Harry J. Lundgren, Jr.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Arthur M. Handler, Esq.,	-	Public Arbitrator, Presiding Chairperson
Michael E. Silverman, Esq.	-	Public Arbitrator
Harry J. Lundgren, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arthur M. Handler, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Michael E. Silverman, Esq.
Public Arbitrator

12.28.06
Signature Date

Harry J. Lundgren, Jr.
Non-Public Arbitrator

Signature Date

December 29, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Arthur M. Handler, Esq.,	-	Public Arbitrator, Presiding Chairperson
Michael E. Silverman, Esq.	-	Public Arbitrator
Harry J. Lundgren, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arthur M. Handler, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Michael E. Silverman, Esq.
Public Arbitrator

Signature Date



Harry J. Lundgren, Jr.
Non-Public Arbitrator



Signature Date

December 29, 2006

Date of Service (For NASD Dispute Resolution use only)