

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Anton E. Reel, III

Claimant :

vs.

CASE #90-01574
AWARD

Datek Securities Corporation vs. :
Legg Mason Wood Walker, Inc. :

Respondents :

CASE SUMMARY

Anton E. Reel, III, in a claim filed with the National Association of Securities Dealers, Inc. on June 4, 1990, alleged that Respondent Datek Securities Corporation executed a purchase order for warrants after the redemption date for those warrants. Claimant states that he would not have made such a purchase if he had not been negligently misinformed.

Respondent and Third Party Claimant, Datek Securities Corp., maintained that at all relevant times, Claimant was neither a customer or representative of Datek Securities Corporation and, therefore, lacked priority with said corporation. Furthermore, Respondent states that Claimant and/or his agents should have been aware of the public record concerning the warrants in question.

Datek Securities Corporation brings a Third Party Claim against Legg Mason Wood Walker, Inc. and alleges that Legg Mason Wood Walker, Inc. was citing as agent and/or broker for Claimant, Anton E. Reel, III, and knew or should have known and failed to disclose the warrant redemption date to Claimant.

Legg Mason Wood Walker, Inc. asserts that it acted on an agency basis for Claimant Anton E. Reel, III and had no reasonable means of knowing that the warrants in question had been pre-redeemed as the National Stock Summary did not disclose that information and Datek, as market maker for the warrants, did not disclose the information when the order was placed for execution.

RELIEF REQUESTED

Claimant requests Three Thousand Five Hundred Six Dollars and Forty-Eight Cents (\$3,506.48) in damages, interest, return of the One Hundred Dollars and No Cents (\$100.00) National Association of Securities Dealers, Inc. filing fee and Two Hundred Dollars and No Cents (\$200.00) in costs. In addition, Claimant requests that the Answer of Datek Securities Corporation be precluded, alleging that it was not submitted in a timely manner.

Respondent and Third Party Claimant, Datek Securities Corporation, requests dismissal of the claim, attorney's fees, costs and indemnification for any award against them, bringing their indemnification claim against Legg Mason Wood Walker, Inc.

Third Party Respondent, Legg Mason Wood Walker, Inc., requests that the Claim of Datek Securities Corporation be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Perry E. Wallace, Jr., Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on May 30, 1990 and by the Respondent Datek Securities Corporation on January 2, 1991 and by Third Party Respondent Legg Mason Wood Walker, Inc. on November 28, 1990.

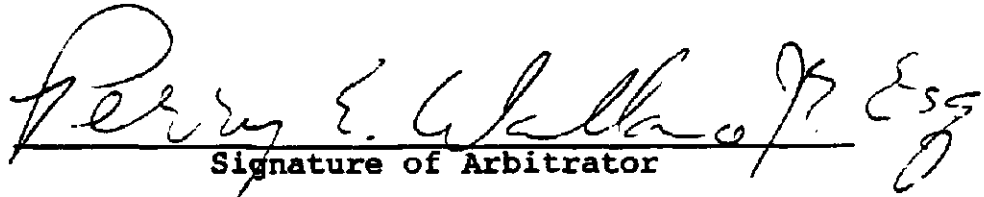
And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondent, Datek Securities Corporation, is liable and shall pay to the Claimant, Anton E. Reel, III, damages plus interest totalling Four Thousand Thirty Dollars and No Cents (\$4,030.00).
2. That Claimant's Motion to Preclude is denied.
3. That the Third Party Claim against Legg Mason Wood Walker, Inc. be, and hereby is, dismissed in its entirety.
4. The parties shall bear their respective costs including attorney's fees.

5. The One Hundred Dollars and No Cents (\$100.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant is assessed against Datek Securities Corporation and payable by Datek Securities Corporation to Anton E. Reel, III.

AFFIRMATION

I, PERRY E. WALLACE JR., ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATED: 4/6/91