

PHILADELPHIA STOCK EXCHANGE, INC.

In the Matter of Arbitration Between:

James H. Marley and Diane J. Marley, :

Claimants :

v. :

Legg Mason Wood Walker, Inc. and :

Michael McCloskey, Respondents :

Decision

93-02

Claimants filed a Statement of Claim and notarized Submission Agreement with the Philadelphia Stock Exchange, Inc. ("Exchange") which was received by the Exchange on April 27, 1992. Claimants' submission raised the following issues: broker's misrepresentation of material facts; suitability; churning; unauthorized trading; and the brokerage firm's failure to supervise. Claimants sought to recover damages from the Respondents in the approximate amount of \$7,590.88 plus commissions. The Respondents' Answer was received by the Exchange on or about June 11, 1992.

A hearing on the merits, as presented in the pleadings, was held in Philadelphia on March 10, 1993 at the Exchange. Donald Bruton, Chairman, Douglas Block and George Freund presided as the appointed and confirmed arbitrators.

The Motion to Dismiss as filed by Respondent, Legg Mason Wood Walker, Inc., is hereby denied in its entirety.

Respondent Michael McCloskey is hereby removed as a party hereto due to the fact that the best efforts of the parties have failed to locate him.

After having reviewed and deliberated on the submissions of the parties, it is hereby decided and determined in favor of Claimants in the amount of two thousand eight hundred dollars (\$2,800.00) and against Respondent, Legg Mason Wood Walker, Inc.

Total costs of \$500.00 are assessed against Claimants and Respondent equally in the amount of 250.00 each. Respondent is to remit its check for \$250.00 to the Philadelphia Stock Exchange, Inc. within ten (10) business days from receipt of service of this Decision. Claimants are to remit fifty dollars (\$50.00) to the Exchange (credit for initial deposit fee) within ten (10) business days from receipt hereof.

Donald Bruton, Chairperson

3/10/93

Dated

Douglas Block

George Freund