

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Juan Nelson and Alfred C. Nelson

94-02360

Name of Respondents

Legg Mason Wood Walker, Inc
Jamie Vogel Fallon

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 21, 1994, Claimants Juan and Alfred C. Nelson, through their representative, William Lewis Randolph, Williamsburg, VA, alleged that Respondents Legg Mason Wood Walker ("LMWW") and Jamie Vogel Fallon ("Fallon") made misrepresentations and sold them unsuitable securities. Claimants further alleged that on August 12, 1988, after repeated assurances of the safety of the investment, they purchased 400 units of USF&G/Legg Mason Realty Partners Limited Partnership. Claimants contended that Respondent Fallon, a registered representative of Respondent LMWW, provided misleading information and omitted material facts, causing a loss for which Respondents should be held liable.

Respondents, Legg Mason Wood Walker, Inc. and Jamie Vogel Fallon, through their representative, Andrew J. Bowden, Esq., Baltimore, MD, maintained that Claimants independently decided to invest in the Limited Partnership after rejecting at least three other purchase recommendations and taking several weeks to review the Partnership prospectus. Respondents further maintained that Fallon never made any guarantees or misrepresentations, and all of the information Claimants alleged was omitted is set forth in the prospectus which they reviewed. Respondents contended that the Partnership is a quality investment which has provided Claimants with a 6% annual return since they invested and they should not be held liable for the downturn in the real estate market which has negatively affected the investment. As a result of the above, Respondents contended they should not be held liable in this matter.

RELIEF REQUESTED

Claimants Juan and Alfred C. Nelson requested \$10,000.00 in actual damages, plus interest, costs, and attorney's fees.

Respondents Legg Mason Wood Walker, Inc. and Jamie Vogel Fallon requested that the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edgar T. Bellinger, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on June 14, 1994, by Respondent Legg Mason Wood Walker on September 12, 1994 and by Respondent Jamie Vogel Fallon on September 16, 1994.

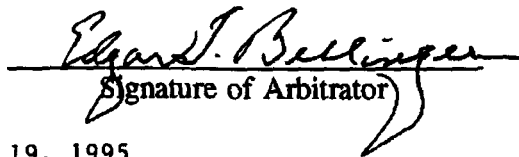
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination follows:

1. Respondent Legg Mason Wood Walker, Inc. is liable and shall pay to Claimants Juan and Alfred C. Nelson \$10,000.00 in actual damages, upon reassignment of Claimants' 400 units of USF&G/Legg Mason Realty Partners Limited Partnership to Respondent Legg Mason Wood Walker, Inc.
2. Respondent Legg Mason Wood Walker, Inc. is liable and shall pay to Claimants Juan and Alfred C. Nelson simple interest at the rate of 6% per annum from the date of the decision.
3. The claims of the Claimants Juan and Alfred C. Nelson against Respondent Jamie Vogel Fallon are dismissed in their entirety.
4. The parties shall bear their respective costs.
5. The 150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Juan and Alfred C. Nelson shall be retained by the NASD, Inc. Respondent Legg Mason Wood Walker, Inc. is liable and shall pay to Claimants \$150.00 as reimbursement of the filing fee.

Page Three
Award 94-02360

AFFIRMATION

I, **EDGAR T. BELLINGER, 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

Date of Decision: April 19, 1995