

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Earl F. Hill, Jr.

98-00320..

Names of Respondents

Legg Mason Wood Walker, Inc.
Howard Weil LaBouisse Friedrichs, Inc.

REPRESENTATION

For Claimant: L. Jerome Stanley, P.C., Baton Rouge, Louisiana.

For Respondents Legg Mason Wood Walker, Inc. ("Legg Mason") and Howard Weil LaBouisse Friedrichs, Inc. ("Howard Weil"): Thomas K. Potter, Esq. of the law firm of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed: January 27, 1998.

Claimant's Submission Agreement signed on: January 23, 1998.

Joint Statement of Answer filed by Respondents on: March 23, 1998.

Respondent Howard Weil's Submission Agreement signed on: March 13, 1998.

Respondent Legg Mason's Submission Agreement signed on: March 19, 1998.

HEARING INFORMATION

A telephonic pre-hearing conference was conducted with the arbitration panel on August 24, 1998. A telephonic pre-hearing conference was conducted with the Chairperson only on December 2, 1998. The evidentiary hearing was conducted in this matter in New Orleans, Louisiana on December 9 and 10, 1998 lasting five sessions.

CASE SUMMARY

Claimant alleged that he was wrongfully discharged from Respondent Legg Mason for refusing to participate in the retroactive licensing of his commodities trading license which he had held through Respondent, Howard Weil. Claimant also alleged that Respondent Legg Mason put inaccurate and misleading information on his U-5 after his discharge.

Respondents denied Hill's allegations of conspiracy, retaliation, or ulterior motives for his discharge, and asserted that Hill was discharged solely for his violation of firm policy by his admitted delivery of sexually-explicit pictures to a bank teller who found them unwelcome and personally offensive. Respondents maintained that they relied upon the affirmative defenses that Hill was an at-will employee (thus terminable), that the description of his U-5 of the "Reason for Termination" was true, and, in any event, was qualifiedly privileged. Respondents claimed that Hill's wrongful discharge and defamation claims against Howard Weil were frivolous because he had not worked for Howard Weil for almost a decade. Respondents sought an award of their attorneys' fees and costs in having to defend frivolous claims against Howard Weil and meritless claims against Legg Mason.

RELIEF REQUESTED

Claimant requested compensatory damages of \$1,000,000.00, punitive damages of \$750,000.00 plus all costs of the arbitration.

Respondents requested a dismissal of all claims plus their costs and attorneys' fees incurred in defending this action and that Claimant be ordered to bear all forum costs.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with NASD Regulation, Inc.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

All claims by the Claimant against the Respondents are dismissed, with prejudice, in their entirety.

The Claimant's request for punitive damages is denied.

Each party shall bear their respective costs including attorneys' fees.

OTHER FEES

Pursuant to Rule 10333 of the Code of Arbitration Procedure, Respondents Legg Mason and Howard Weil have each paid to NASD Regulation, Inc. the \$2,500.00 member surcharge, the \$600.00 pre-hearing process fee and the \$4,500.00 hearing process fee previously invoiced.

Pursuant to Rule 10205 of the Code of Arbitration Procedure, Claimant has paid to NASD Regulation, Inc. the \$500.00 claim filing fee.

FORUM FEES

Pursuant to Rule 10205(c) of the Code of Arbitration Procedure, forum fees in the sum of \$6,300.00 (pre-hearing conference-Chairperson \$300.00 plus pre-hearing conference-panel \$1,000.00 plus five sessions x \$1,000.00) are assessed as follows:

Claimant is assessed the sum of \$3,150.00 less the \$1,000.00 previously deposited by the Claimant in partial satisfaction thereof leaving a balance due in the sum of \$2,150.00.

Respondents Legg Mason and Howard Weil are assessed, jointly and severally, the sum of \$3,150.00.

Fees are payable to the NASD Regulation, Inc., Office of Dispute Resolution.

Concurring Arbitrators' Signatures
Name

Public/Industry

/s/
Ann Blaess Kimball, Esq.

Public

/s/
William F. Ray

Public

/s/
Guy T. Dowell

Industry

Date of Decision: January 11, 1999