

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Legg Mason Wood Walker, Incorporated, (Claimant) vs. Manuj K. Padhya, (Respondent)

Case Number: 99-00185

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant Legg Mason Wood Walker, Incorporated, hereinafter referred to as "Claimant": Jeffrey S. Evans, Esq., Saul, Ewing, Weinberg & Green, Baltimore, MD.

Respondent Manuj K. Padhya, hereinafter referred to as "Respondent", appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: January 13, 1999.

Claimant signed the Uniform Submission Agreement: January 11, 1999.

Respondent did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of Promissory Note and failure to close a short position in a customer's account resulting in damages to Claimant.

RELIEF REQUESTED

Claimant requested:

- a. The principal sum owing on the Promissory Note in the amount of \$18,000.00;
- b. Interest at the rate of 8.5% per annum owing on the principal sum from May 14, 1998 through the date of this Award;
- c. The \$55,029.81 expended by Claimant in settlement of the customer claim, plus interest through the date of the Award;
- d. Attorneys' fees expended by Claimant in collection of this matter;
- e. All fees and costs assessed by the NASD in this matter; and
- f. Any other relief that this Panel deems necessary and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On the day of the scheduled hearing in this matter Respondent participated via telephone.

At the beginning of the hearing, before any testimony was heard, the parties advised the Panel that they had entered into a settlement agreement. The parties' settlement agreement was read into the record.

At the parties' request, the terms of this settlement agreement has been incorporated herein as a Stipulated Award, which is being submitted to the Panel for its consideration.

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and is bound by the determination of the Panel on all issues submitted.

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

AWARD

On or about September 30, 2002, the parties entered into an agreement to present to the Panel a Stipulated Award (a copy of the September 30, 2002 agreement is attached as Exhibit 'A'). Now, in lieu of a hearing and upon motion of both parties for entry of an Award, the written stipulation thereto, the Panel hereby grants the motion and enters this Award granting the following relief:

1. Respondent is liable for and shall pay to Claimant the sum of \$8,000.00 pursuant to the following schedule: \$700.00 by November 10, 2002; \$750.00 by December 10, 2002; \$750.00 by January 10, 2003; \$750.00 by February 10, 2003; \$750.00 by March 10, 2003; \$1,250.00 by April 10, 2003; \$1,250.00 by May 10, 2003; \$1,250.00 by June 10, 2003; and \$550.00 by July 10, 2003. In the event any of these dates falls on a Saturday or Sunday, payment is due the following Monday. All payments should be made by check, payable to "Legg Mason Wood Walker, Incorporated", and delivered to: Jeffrey S. Evans, Esq., Saul Ewing LLP, 100 S. Charles Street, Baltimore, Maryland 21201.
2. The parties agree to exchange mutual releases of all claims, specifically including the alleged error in the joint account of Jatinder and Parveen Chopro, and also including all claims relating to Respondent's employment with Claimant, provided however, that the release will not apply to: (a) customer complaints; (b) compliance or regulatory matters (including but not limited to matters involving the misuse by Respondent of confidential customer information); (c) claims initiated by any third parties (including but not limited to third-party claims predicated on misuse by Respondent of confidential customer information); and (d) enforcement of the terms of this agreement.
3. All other requests for relief are hereby 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 = \$ 500.00

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 person at the time of the events giving rise to the dispute. In this matter, Legg Mason Wood Walker, Incorporated is a party.

Member surcharge = \$1,000.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$1,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with Panel x \$600.00 = \$ 600.00

Pre-hearing conference: May 1, 2000 1 session

One (1) Hearing session x \$600.00 = \$ 600.00

Hearing Date: September 30, 2002 1 session

Total Forum Fees = \$1,200.00

Claimant has agreed to pay all of the forum fees in this matter.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 500.00

Member Fees = \$3,100.00

Forum Fees = \$1,200.00

Total Fees = \$4,800.00

Less payments = \$4,200.00

Balance Due NASD Dispute Resolution = \$ 600.00

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

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JEFFREY S. EVANS

Phone: (410) 332-8908

Fax: (410) 332-8178

jevans@saul.com

www.saul.com

Exhibit "A"

September 30, 2002

VIA FACSIMILEManoj K. Padhya
2480 Irvine Boulevard, # 204
Tustin, California 92783RE: *Legg Mason Wood Walker, Incorporated v. Manoj K. Padhya,*
NASD No. 99-00185

Dear Mr. Padhya:

This letter is to confirm that Legg Mason Wood Walker, Incorporated ("Legg Mason") and you, Manoj K. Padhya, have agreed to settle claims relating to your employment with Legg Mason, including the Promissory Note and Financial Advisor Promissory Note Repayment Agreement executed by you and Legg Mason under the following pertinent terms, which will be incorporated into a Settlement Agreement and Release (the "Agreement") between you and Legg Mason:

1. You agree to pay Legg Mason \$8,000.00 pursuant to the following schedule: \$700.00 by November 10, 2002; \$750.00 by December 10, 2002; \$750 by January 10, 2002; \$750.00 by February 10, 2002; \$750 by March 10, 2002; \$1,250.00 by April 10, 2002; \$1,250.00 by May 10, 2002; \$1,250 by June 10, 2002; and \$550.00 by July 10, 2002. In the event any of these dates falls on a Saturday or Sunday, payment is due the following Monday. All payments should be made by check, payable to "Legg Mason Wood Walker, Incorporated" and delivered to: Jeffrey S. Evans, Esq.; Saul Ewing LLP; 100 S. Charles Street; Baltimore; Maryland 21201.

2. The parties agree that the terms of this settlement will be incorporated into an Award in the above captioned case.

3. The parties agree to exchange mutual general releases of all claims, specifically including the alleged error in the account joint of Jatinder and Parveen Chopra, and also including all claims relating to Padhya's employment with Legg Mason, provided however,

FROM : COLORMANIA
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PHONE NO. : 7149624877

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September 30, 2002

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that the release will not apply to: (a) customer complaints; (b) compliance or regulatory matters (including but not limited to matters involving the misuse by Padhya of confidential customer information); claims initiated by any third parties (including but not limited to third-party claims predicated on misuse by Padhya of confidential customer information); and (d) enforcement of the terms of this Agreement.

This will also confirm that you are executing this Agreement on your own behalf and have done so voluntarily and without coercion.

Please evidence your agreement to the foregoing by signing in the space provided below and returning a copy of this letter to me via facsimile. I will prepare the Agreement and forward it to you.

Very truly yours,

Jeffrey S. Evans

Agreed to:

By:


Manuj K. Padhya

ARBITRATION PANEL

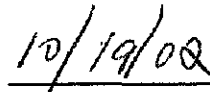
Edward G. Turan, Esq.	-	Non-Public Arbitrator, Presiding Chair
G. Robert Abrams, Esq.	-	Non-Public Arbitrator
Stephanie Morse-Shamosh, Esq.	-	Non-Public Arbitrator

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.



Edward G. Turan, Esq.
Non-Public Arbitrator, Presiding Chair



Signature Date

G. Robert Abrams, Esq.
Non-Public Arbitrator

Signature Date

Stephanie Morse-Shamosh, Esq.
Non-Public Arbitrator

Signature Date

October 29, 2002

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

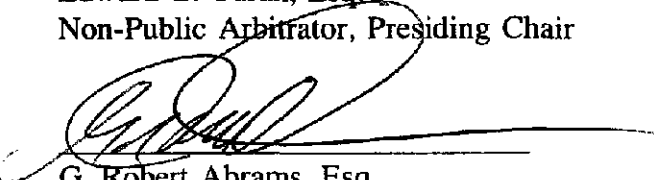
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Non-Public Arbitrator



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Non-Public Arbitrator

10/21/02
Signature Date

October 29, 2002

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