

Award

NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Legg Mason Wood Walker, Inc.

vs.

Case Number 99-02033
(Master case consolidated
with case number 99-02083)

Name of Respondent

Todd M. Schoenberger

In the Matter of the Arbitration Between

Name of Claimant

Todd M. Schoenberger

vs.

Case Number 99-02083

Name of Respondent

Legg Mason Wood Walker, Inc.

REPRESENTATION OF PARTIES

Legg Mason Wood Walker, Inc. (Legg Mason) was represented by James E. Goodrich of the law firm of Saul, Ewing, Weinberg & Green, Baltimore, MD.

Todd M. Schoenberger (Schoenberger) was represented by Ronald B. Rubin and Timothy M. Monahan of the law firm of Rubin & Monahan, Chartered, Rockville, MD.

CASE INFORMATION

Statement of Claim filed by Schoenberger on March 18, 1999.

Statement of Claim filed by Legg Mason on May 4, 1999.

Gregory B. McShea, Vice President, executed the Uniform Submission Agreement on behalf of Legg Mason on April 21, 1999.

Answer filed by Legg Mason on June 25, 1999.

Answer filed by Schoenberger on June 28, 1999.

Schoenberger signed the Uniform Submission Agreement on July 15, 1999.

CASE SUMMARY

Legg Mason asserted in its Statement of Claim that Schoenberger failed to pay his Promissory Note after the termination of his employment.

Schoenberger denied the allegations made in the Statement of Claim and incorporated his Statement of Claim. Schoenberger asserted that the Promissory Note and Financial Advisors Bonus Agreement are void and unenforceable for lack of consideration and as against public policy. Schoenberger maintained breach of contract. Schoenberger maintained the right to assert and raise additional defenses at the hearing in this matter.

RELIEF REQUESTED

Legg Mason requested the principal sum owing on the Promissory Note of \$76,352.25 and 8.5% per annum interest owing on the principal sum from December 18, 1998 through the date of the Award. Legg Mason requested attorney's fees, all fees and costs assessed by NASD Dispute Resolution, Inc. (NASD-DR) in this matter, and any other relief that the Panel deemed necessary and appropriate.

Schoenberger requested equitable relief in the form of the rescission of the purported Financial Advisor Bonus Agreement and Promissory Note dated December 18, 1998, and enjoining Legg Mason from further attempts to enforce the purported Promissory Note and damages as the Panel deems appropriate. Schoenberger requested an amount not less than \$100,000. Schoenberger also requested prejudgment and post-judgment interest at the maximum legal rate on all damage awards rendered by the Panel, attorney's fees and other costs, including all filing fees, hearing fees, expert witness fees and any other fees or costs deemed reasonable by the Panel. Schoenberger requested other relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (Code), Case Number 99-02083 was consolidated with Case Number 99-2033 by the Director of Arbitration on August 23, 1999.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the

post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Legg Mason Wood Walker, Inc. is liable and shall pay Todd M. Schoenberger the amount of \$13,450.74.
2. Legg Mason's claims are denied in their entirety.
3. The parties shall bear their respective costs; except as fees are specifically addressed below.
4. That any and all claims for relief not specifically addressed herein are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR will retain or collect the non-refundable filing fees for each claim:

Legg Mason's Initial claim filing fee	= \$ 1,000.00
Schoenberger's Initial claim filing fee	= \$ 225.00

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 is the member firm.

For Case Number 99-02033:

Member surcharge	= \$ 1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

For Case number 99-02083:

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 200.00

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:

1 Pre-hearing session with Panel x \$ 1,125	= \$ 1,125.00
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Pre-hearing conference: January 10, 2000 1 session
4 Hearing sessions x \$ 1,125 = \$ 4,500.00
Hearing Dates: June 19, 2000 2 sessions
June 20, 2000 2 sessions
Total Forum Fees = \$ 5,625.00

The Panel has assessed forum fees in the amount of \$2,812.50 against Legg Mason.
The Panel has assessed forum fees in the amount of \$2,812.50 against Schoenberger.

Fee Summary

Legg Mason is assessed the following fees:

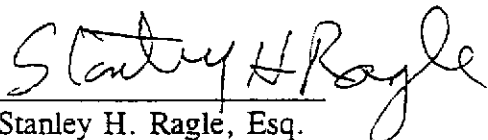
Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,800.00
<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Total Fees	= \$ 9,612.50
<u>Less payments</u>	<u>= \$ 7,850.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,762.50

Schoenberger is assessed the following fees:

Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Total Fees	= \$ 3,037.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,037.50

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Stanley H. Ragle, Esq.
Public Arbitrator, Chairperson

7/31/2000

Date Signed

Peggy A. Lane, PhD.
Public Arbitrator, Panelist

Date Signed

Charles L. Marinaccio, Esq.
Non-Public Arbitrator, Panelist


Date Signed

Date Award Served By NASD Dispute Resolution, Inc

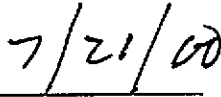
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Public Arbitrator, Chairperson

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Peggy A. Lane, PhD.
Public Arbitrator, Panelist



Date Signed

Charles L. Marinaccio, Esq.
Non-Public Arbitrator, Panelist

Date Signed

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Date Signed

Peggy A. Lane, PhD.
Public Arbitrator, Panelist

Date Signed

Charles L. Marinaccio
Charles L. Marinaccio, Esq.
Non-Public Arbitrator, Panelist

July 18 2000
Date Signed

Date Award Served By NASD Dispute Resolution, Inc