

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Ulla Carina West and Michelle Hatzis Sullivan, (Claimants) vs. Legg Mason Wood Walker, Incorporated, (Respondent)

Case Number: 99-02899

Hearing Site: Philadelphia, Pennsylvania

REPRESENTATION OF PARTIES

Claimants, Ulla Carina West ("West") and Michelle Hatzis Sullivan ("Sullivan"), hereinafter collectively referred to as "Claimants": Francis J. Murphy, Esq., Murphy Spadaro & Landon, Wilmington, DE.

Respondent, Legg Mason Wood Walker, Incorporated, hereinafter referred to as "Respondent": Sheila Mosmiller Vidmar, Esq., Deputy General Counsel, Legg Mason Wood Walker, Incorporated, Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on or about: June 25, 1999.

West signed the Uniform Submission Agreement: June 14, 1999.

Sullivan signed the Uniform Submission Agreement: November 7, 2000.

Statement of Answer filed by Respondent on or about: September 27, 1999.

Respondent signed the Uniform Submission Agreement: September 27, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: inappropriate investment in a junk bond fund; failure to disclose information regarding the bond fund in question; and failure to notify Claimants that the value of the bond fund had declined.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action upon which relief may be granted; Respondent acted in good faith at all times and at no time did it commit, directly or indirectly, any acts which could give rise to a valid claim by Claimants; Claimants expressly ordered, approved, ratified, authorized, and/or participated in the transactions about which they now complain and upon which they seek recovery; Claimants failed to use the requisite due diligence in monitoring, trading, managing, and handling their own accounts; Claimant voluntarily assumed the risk of

investing in the stock market and therefore are precluded from recovering herein; West controlled the accounts at all times; any loss which Claimants may have suffered was caused by their own conduct or negligence; the claims are barred pursuant to the doctrines of waiver, estoppel, and ratification; and Claimants failed to mitigate damages.

RELIEF REQUESTED

Claimants requested compensatory damages in the amounts of \$12,742.70 for West and \$5,074.08 for Sullivan, plus the costs of this arbitration.

Respondent requested dismissal of the Claim; that Claimants take nothing by way of the Claim; that Respondent be awarded costs and expenses incurred in defending this Claim; and that Respondent be given such other relief as is just and proper.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby denied in their entirety.
2. All other requests for relief are hereby denied in their entirety.
3. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 125.00
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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 = \$ 400.00

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00

Pre-hearing conferences: June 16, 2000 1 session
 August 22, 2000 1 session

Four (4) Hearing sessions x \$450.00 = \$1,800.00

Hearing Dates: September 25, 2000 2 sessions
 September 28, 2000 2 sessions

Total Forum Fees = \$2,700.00

1. The Arbitrator has assessed \$1,350.00 of the forum fees jointly and severally against Claimants.
2. The Arbitrator has assessed \$1,350.00 of the forum fees against Respondent.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 125.00
<u>Forum Fees</u>	<u>= \$1,350.00</u>
Total Fees	= \$1,475.00
<u>Less payments</u>	<u>= \$ 575.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00

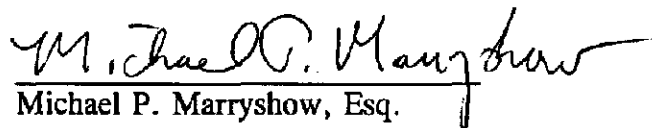
2. Respondent be and hereby is solely liable for:

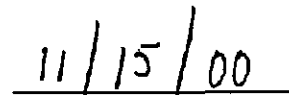
Member Fees	= \$ 400.00
<u>Forum Fees</u>	<u>= \$1,350.00</u>
Total Fees	= \$1,750.00
<u>Less payments</u>	<u>= \$ 400.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,350.00


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

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Arbitrator's Signature


Michael P. Marryshow, Esq.
Public Arbitrator


Signature Date


Date Award Serviced by NASD Dispute Resolution, Inc.