

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Angelo and Maria Lorenzo

Case No. 99-04737

Names of Respondents

Legg Mason Wood Walker, Inc.
Gary Ronald Price
David Franklin

REPRESENTATION OF PARTIES

For Angelo and Maria Lorenzo, hereinafter referred to as "Claimants": Russell C. Silverglate, Esq. of Dickenson, Murdoch, Rex, & Sloan, Boca Raton, Florida.

For Legg Mason Wood Walker, Inc. ("Legg Mason"), David Franklin ("Franklin") and Gary Price ("Price"), hereinafter referred to as "Respondents": Sheila Mosmiller Vidmar, Esq., Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: October 20, 1999.

Claimant signed the Uniform Submission Agreement on: October 1, 1999.

Statement of Answer of Respondent Legg Mason, Franklin, and Price filed on or about: January 21, 2000.

Respondent Legg Mason's Uniform Submission Agreement was signed on: January 20, 2000 by Sheila Mosmiller Vidmar, Esq. on behalf of the firm.

Respondent Price signed the Uniform Submission Agreement on: January 21, 2000.

Respondent Franklin did not file a properly executed Uniform Submission Agreement (see "Other Issues").

CASE SUMMARY

Claimants alleged the following: Claimants used their life savings to open an account with Respondents. Claimants gave Respondents discretion over this account because they were not experienced investors and felt that they were incapable of managing their own portfolio. Respondent Legg Mason and its brokers Respondents Franklin and Price, assured Claimants that they would closely monitor their account and gave assurances that it would continue to perform so as to meet Claimants' investment objectives. Claimants explained to Respondents that they were retired, their assets with Respondents represented their entire life savings and

they had no way to replace the money. Contrary to Claimants' express instructions and wishes, and contrary to Respondents' representations, Respondents either willfully or as a result of gross negligence, neglected Claimants' account and caused Claimants to suffer the loss of their principal that they had no way of replacing.

Unless specifically admitted in their Statement of Answer, Respondents Legg Mason, Franklin, and Price denied the allegations of wrongdoing contained in the Statement of Claim and alleged the following: Claimants opened an account with Respondent Legg Mason, and agreed to give Respondents Franklin and Price discretionary authority to trade in that account. For years Claimants enjoyed profits from the decisions made in the account. Claimants now complain about losses that occurred in their account during a period of general market decline. Claimants complain of inaction in their account during a time when any action in their account would have resulted in realized losses to them. Respondent Legg Mason cannot act as a guarantor of profits, especially during a period of general market decline.

RELIEF REQUESTED

Claimants requested compensatory damages of \$106,000.00, interest, costs, expenses and disbursements, expert witness fees, and any other relief deemed just and proper by the Panel.

Respondents Legg Mason, Franklin, and Price requested that the Statement of Claim be dismissed, costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

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

On August 29, 2000, the parties filed with NASD Dispute Resolution, Inc. a Stipulation resolving this matter.

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 and the Stipulation submitted by the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The undersigned panel hereby consents to the Stipulation signed by the parties and incorporates said Stipulation by reference into this Award.
2. This arbitration was instituted by Claimants against Legg Mason, Price and Franklin. Respondent Franklin has since passed away and this matter was dismissed against him.

by a voluntary dismissal submitted by Claimants.

3. Claimants, Respondents Legg Mason and Price mediated this matter on August 2, 2000. Legg Mason and Claimants resolved all matters between them during that mediation. However, Respondent Price did not agree nor contribute to the resolution entered into by Legg Mason and maintained his desire to present his case before the arbitration panel.
4. Claimants believe that they have resolved this matter to their satisfaction, wish to avoid further expense of litigation and avoid the possibility of an adverse award of attorneys' fees. Claimants have, therefore, agreed to withdraw all claims against Respondent Price, and rather than going forward before the arbitration panel, have agreed to stipulate that this panel shall enter an Arbitration Award in this matter, on the merits, in favor of Respondent Price.
5. In light of the foregoing stipulation, this Award shall terminate any further proceedings in the above-captioned matter and serve as a formal resolution thereof.

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

= \$ 300.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm, Legg Mason, is a party.

Member surcharge

= \$1,500.00

Pre-hearing process fee

= \$ 600.00

Hearing process fee

= \$2,500.00

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 \$1,125.00

= \$1,125.00

Pre-hearing conference: May 9, 2000

1 session

Total Forum Fees

= \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimants.

The Panel has assessed \$562.50 of the forum fees jointly and severally to Respondents Legg Mason, Price, and Franklin.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Legg Mason be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
Less payments	= \$4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents Legg Mason, Price, and Franklin be and hereby are jointly and severally liable for:

Forum Fees	= \$ 562.50	Forum Fees
Total Fees	= \$ 562.50	Total Fees
Less payments	= \$ 0.00	Less payments
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50	Balance Due NASD

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

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Concurring Arbitrators' Signatures

Concurring Arbitrators' Signatures

_____/s/_____
Eli Breger, Esq.
Public Arbitrator/Presiding Chair

Signature Date

_____/s/_____
Edward Aptaker, Esq.
Public Arbitrator

Signature Date

_____/s/_____
Theodore Kimelman
Industry Arbitrator

Signature Date

January 10, 2001

Date of Service (For NASD-DR office use only)

Fee Summary

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Eli Breger, Esq.
Public Arbitrator/Presiding Chair



Edward Aptaker, Esq.
Public Arbitrator

Signature Date

12/27/00
Signature Date

Theodore Kimelman
Industry Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

RECEIVED

DEC 29 2000

FL ARBITRATION

Fee Summary

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


Concurring Arbitrators' Signatures

Eli Breger, Esq.
Public Arbitrator/Presiding Chair

Signature Date

Edward Aptaker, Esq.
Public Arbitrator

Signature Date



Theodore Kimelman
Industry Arbitrator



Signature Date

Date of Service (For NASD-DR office use only)