September 21, 2005

Karrie McMillan, Esq.
Shearman & Sterling LLP
801 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2604

Re: In the Matter of Legg Mason Wood Walker, Incorporated—Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Ms. McMillan:

This is in response to your letter dated September 21, 2005, written on behalf of Legg Mason Wood Walker, Incorporated ("LMWW") and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933. You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that may arise by virtue of the order entered today by the Securities and Exchange Commission, pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Sections 9(b) and 9(f) of the Investment Company Act of 1940, naming LMWW as a respondent, censuring LMWW, ordering LMWW to cease and desist from committing or causing any violations or future violations of Section 17(a)(1) of the Securities Exchange Act and Rules 17a-3 and 17-4 thereunder, and Rule 22c-1(a) under the Investment Company Act of 1940, ordering LMWW to pay a civil money penalty in the amount of $1,000,000, and ordering that LMWW comply with the undertakings set forth in the order. Exchange Act Rel. No. 52478 (File No. 3-12048, Sept. 21, 2005) (the "Order").

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We have also assumed that LMWW will comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, pursuant to delegated authority, and without necessarily agreeing that such disqualifications arose by virtue of entry of the Order, LMWW is granted relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that may have arisen as a result of entry of the Order.

Very truly yours,

Gerald J. Laporte
Chief, Office of Small Business Policy
September 21, 2005

VIA HAND DELIVERY

Gerald Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: In the Matter of Legg Mason Wood Walker, Inc. (P-0112)

Dear Mr. Laporte:

On behalf of Legg Mason Wood Walker, Incorporated ("LMWW"), we respectfully request pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D promulgated under the Securities Act of 1933 (the “Securities Act”), a waiver of any disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to LMWW and any of its affiliates as a result of the entry of an order by the Securities and Exchange Commission (the “Commission”) against LMWW. LMWW respectfully requests that these waivers be made effective as of the date of Commission acceptance of the settlement described below.

LMWW is a broker-dealer registered with the Securities and Exchange Commission and is engaged in a full-service business, including retail and institutional sales, investment banking services, trading and research.
The staff of the Division of Enforcement engaged in settlement discussions with LMWW in connection with the above-captioned proceeding, which was brought pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (the “Exchange Act”) and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (the “Investment Company Act”). As a result of these discussions, LMWW submitted an offer of settlement in which, solely for the purpose of resolving the above-captioned proceeding and any other proceeding involving the same facts brought by or on behalf of the Commission or in which the Commission is a party, it consented to the entry of an order (the “Order”) without admitting or denying the matters in the Order (other than those relating to the jurisdiction of the Commission).

Under the Order, the Commission made findings, without admission or denial by LMWW, that LMWW's late processing of mutual fund orders violated Rule 22c-1(a) under the Investment Company Act. Further, the Commission made findings, without admission or denial by LMWW, that by failing to maintain records reflecting the time it received brokerage orders, LMWW violated Section 17(a)(1) of the Exchange Act and Rules 17a-3 and 17a-4 thereunder. Based on these findings, the Commission censured LMWW, required LMWW to cease and desist from committing or causing any violations and any future violations of Section 17(a)(1) of the Exchange Act and Rules 17a-3 and 17a-4 thereunder, and Rule 22c-1(a) under the Investment Company Act, and required LMWW to pay a civil money penalty in the amount of $1,000,000 to the U.S. Treasury.

In addition, pursuant to the Order, LMWW undertook to employ an independent consultant (the “Independent Consultant”), who is knowledgeable in all aspects of mutual fund transactions, including, but not limited to, the pricing of mutual funds and compliance with Rule 22c-1 under the Investment Company Act and keeping and preserving required books and records under Section 17(a)(1) of the Exchange Act, and not unacceptable to the staff of the Philadelphia District Office (“PDO”). The Independent Consultant will (a) conduct a review to determine whether the changes to the policies and procedures (the “Policies and Procedures”) that LMWW has adopted and implemented to correct the activities described in the Order are reasonably designed to detect and prevent any future “late processing of orders” from LMWW registered representatives in violation of Rule 22c-1 under the Investment Company Act and to ensure compliance with Section 17(a)(1) under the Exchange Act; (b) determine whether and to what extent there is a need for additional or amended Policies and Procedures to detect and prevent, insofar as practical, “late processing of orders” from LMWW registered representatives; and (c) recommend that LMWW adopt such additional Policies and Procedures which the Independent Consultant believes are necessary to provide reasonable assurance that LMWW can detect and prevent “late processing of orders” from LMWW registered representatives. LMWW will also require the Independent Consultant to submit to LMWW and the Commission staff a written report regarding LMWW’s compliance with its Policies and Procedures and the adequacy of those Policies and Procedures. LMWW undertook to adopt all recommendations contained in the report and to remedy any deficiencies in its Policies and Procedures, provided that LMWW may advise the Independent Consultant and Commission staff in writing of any recommendations that it considers to be unnecessary or inappropriate and propose an alternative
policy, procedure, or system designed to achieve the same objective or purpose. If LMWW and the Independent Consultant are unable to agree on an alternative proposal acceptable to the Commission staff, LMWW will abide by the original recommendation of the Independent Consultant. Within 120 days of the date of the report, LMWW will submit an affidavit to the Commission staff, stating that it has implemented any and all actions recommended by the Independent Consultant or explaining the circumstances under which it has not implemented such actions. Pursuant to the Order, LMWW shall not have the authority to terminate the Independent Consultant without the prior written approval of the Commission staff.

Discussion

LMWW understands that the entry of the Order may disqualify it and its affiliated entities from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D under the Securities Act because the Order may be deemed to cause LMWW to be subject to an order of the Commission pursuant to Section 15(b) of the Exchange Act. The Commission has authority to waive the Regulation A and Rule 505 of Regulation D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. Thus, LMWW requests that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to LMWW or its affiliates on the following grounds:

1. LMWW’s conduct addressed in the Order does not relate to offerings under Regulation A or D. Rather, the alleged violations are confined to the late processing of mutual fund orders and the failure to maintain records reflecting the time LMWW received brokerage orders.

2. LMWW has implemented a number of enhancements to its systems, policies and procedures and, as described above, agreed to employ an Independent Consultant.

3. The disqualification of LMWW from the exemptions under Regulation A and Rule 505 of Regulation D would, we believe, have an adverse effect on the third parties that have retained LMWW and its affiliates in connection with transactions that rely on these exemptions.

4. The disqualification of LMWW from the exemptions available under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe, given that: (a) the Order relates to activity that is unrelated to Regulation A and Rule 505 of Regulation D; (b) the disqualification could adversely affect the business operations of LMWW; and (c) LMWW must pay a civil money penalty in the amount of $1,000,000 pursuant to the Order.

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See Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act.
In light of the grounds for relief discussed above, we believe that disqualification is not necessary, in the public interest or for the protection of investors, and that LMWW has shown good cause that relief should be granted. Thus, we respectfully urge the Commission, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D, to waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may be applicable to LMWW and any of its affiliates as a result of the entry of the Order.3

If you have any questions regarding this request, please contact the undersigned at (202) 508-8160.

Sincerely yours,

Karrie McMillan

cc: David S. Horowitz, Esq.

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