
Stipulated Award

NASD

In the Matter of the Arbitration Between:

Names of the Claimants

Jeffrey M. Gamble and Sharon W. Gamble

Case Number:

00-04092

Names of the Respondents

Morgan Stanley DW, Inc., Mike Spaulding, and Allen Bailey

Hearing Site:

Memphis, TN

REPRESENTATION OF PARTIES

For Jeffrey M. Gamble and Sharon W. Gamble, hereinafter collectively referred to as "Claimants": Jack G. Heffington, Esq., Murfreesboro, TN.

For Respondents Morgan Stanley DW, Inc. ("DW"), Mike Spaulding ("Spaulding"), and Allen Bailey ("Bailey"), hereinafter collectively referred to as "Respondents": A. Inge Selden, III, Esq., Maynard, Cooper & Gale, PC, Birmingham, AL.

CASE INFORMATION

Statement of Claim filed on or about: September 19, 2000.

Claimants signed the Uniform Submission Agreement: September 14, 2000.

Statement of Answer filed by Respondents on or about: December 26, 2000.

Respondents Spaulding and Bailey signed Uniform Submission Agreements: February 12, 2001.

Respondent DW did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; misrepresentation; conversion; unsuitability; conflict of interest; and violations of federal securities laws, rules, and regulations. The causes of action relate to the Respondents' unauthorized purchases of Morgan Stanley DW managed funds, which generated maximum up-front commissions.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,000,000.00, recovery of up-front commissions paid by Claimants in the amount of \$160,000.00, punitive damages in the amount of 3,000,000.00, and any other relief deemed just and equitable.

NASD

Arbitration No. 00-04092

Award Page 2 of 4

Respondents requested that the Statement of Claim be dismissed, and that Claimants be assessed forum fees, costs, and reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent DW did not file with NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code"), and having answered the claim, is bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

On or about January 2, 2002, the parties filed with NASD a Joint Stipulation to Dismiss and Expunge Registered Representative's Record and an Award of Dismissal and Expungement, which stated that the matter had been dismissed with prejudice, and requested that the Panel expunge all references to this matter from Respondent Bailey's registration records maintained by the NASD Central Registration Depository ("CRD").

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the Joint Stipulation to Dismiss and Expunge Registered Representative's Record, and the Award of Dismissal and Expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The arbitration is dismissed with prejudice.
2. Each party shall bear its own costs.
3. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Bailey's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Bailey must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 600.00

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. Accordingly, Respondent DW is assessed:

Member surcharge = \$ 2,500.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 4,500.00

NASD

Arbitration No. 00-04092

Award Page 3 of 4

Adjournment Fees

Adjournment fees were not assessed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

Injunctive relief fees were not assessed in this matter.

Forum Fees and Assessments

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

One (1) Pre-hearing session with the Panel @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conference: June 21, 2001 1 session	

Total Forum Fees	= \$ 1,200.00
------------------	---------------

1. The Panel has assessed \$ 600.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 600.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Administrative costs were not incurred in this matter.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 1,200.00
Balance Due NASD	= \$ 0.00

NASD

Arbitration No. 00-04092

Award Page 4 of 4

2. Respondent DW is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Total Fees</u>	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
<u>Balance Due NASD</u>	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD</u>	= \$ 600.00

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

ARBITRATION PANEL

Earle J. Schwartz, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert T. Allen, Jr.	-	Public Arbitrator
Stephen H. Biller, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Earle J. Schwartz, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Robert T. Allen, Jr.
Public Arbitrator

Signature Date

/s/
Stephen H. Biller, Esq.
Non-Public Arbitrator

Signature Date

December 13, 2002

Date of Service (For NASD office use only)

NASD

Arbitration No. 00-04092

Award Page 4 of 4

2. Respondent DW is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Total Fees</u>	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
<u>Balance Due NASD</u>	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD</u>	= \$ 600.00

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

ARBITRATION PANEL

Earle J. Schwarz, Esq.

Robert T. Allen, Jr.

Stephen H. Biller, Esq.

-
-
-

Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Earle J. Schwarz, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date

Robert T. Allen, Jr.

Public Arbitrator

Signature Date

Stephen H. Biller, Esq.

Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD

Arbitration No. 00-04092

Award Page 4 of 4

2. Respondent DW is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Total Fees</u>	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
<u>Balance Due NASD</u>	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD</u>	= \$ 600.00

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


ARBITRATION PANEL

Earle J. Schwartz, Esq.	-	Public, Presiding Chairperson
Robert T. Allen, Jr.	-	Public Arbitrator
Stephen H. Biller, Esq.	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Earle J. Schwartz, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Robert T. Allen, Jr.
Public Arbitrator



Signature Date

Stephen H. Biller, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD

Arbitration No. 00-04092

Award Page 4 of 4

2. Respondent DW is solely liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD	= \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 600.00

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

ARBITRATION PANEL

Earle J. Schwartz, Esq.	-	Public, Presiding Chairperson
Robert T. Allen, Jr.	-	Public Arbitrator
Stephen H. Biller, Esq.	-	Non-Public Arbitrator

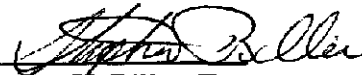
Concurring Arbitrators' Signatures

Earle J. Schwartz, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert T. Allen, Jr.
Public Arbitrator

Signature Date



Stephen H. Biller, Esq.
Non-Public Arbitrator

8/19/02

Signature Date

Date of Service (For NASD office use only)