
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Stephen D. Dawahare,
Claimant

Vs.

Case Number: 00-04677

Morgan Stanley Dean Witter,
Respondent.

Hearing Site: Cincinnati, Ohio

REPRESENTATION OF PARTIES

Claimant Stephen D. Dawahare ("Dawahare") was represented by Barry D. Hunter, Esquire, of Frost Brown Todd, LLC, Lexington, Kentucky.

Respondent Morgan Stanley Dean Witter ("MSDW") was represented by Todd E. Gordinier, Esquire, of Stradling Yocca Carlson & Rauth, Newport Beach California.

CASE INFORMATION

The Statement of Claim was filed on or about October 20, 2000, and supplemented and revised on or about December 22, 2000.

Dawahare signed the Uniform Submission Agreement on October 9, 2000.

MSDW filed its Statement of Answer on or about December 26, 2000.

Paul D. Allen, First Vice President and Senior Attorney for MSDW, signed the Uniform Submission Agreement on December 22, 2000.

CASE SUMMARY

Claimant asserted the following cause of action in his Statement of Claim: negligence. This cause of action involved the following common stock: PurchasePro.Com, Inc.

Unless stated otherwise in its Statement of Answer, MSDW denied the allegations set forth in the Statement of Claim and asserted the following affirmative defenses: failure to comply with applicable statutes of limitations, failure to mitigate, waiver, ratification, estoppel, laches, unclean hands, assumption of the risk and failure to state a claim upon which relief can be granted.

RELIEF REQUESTED

In his supplemented and revised Statement of Claim, Claimant requested:

Compensatory Damages	\$5.5 million
Costs	not specified
Attorney's Fees	not specified
Interest	not specified

In its Statement of Answer, Respondent requested that the claims against it be dismissed in their entirety, and that it be awarded costs and attorney's fees.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the undersigned Panel finds in full and final resolution of the issues submitted for determination as follows:

1. Respondent Morgan Stanley Dean Witter is solely liable for, and shall pay to Claimant Stephen D. Dawahare, the sum of \$1,231,665.00 (One Million Two Hundred Thirty-one Thousand Six Hundred Sixty-five Dollars and No Cents) in compensatory damages.
2. Except as otherwise specified herein, each party shall bear its own costs and attorneys' fees.
3. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc., will collect or retain the following non-refundable fees:

Initial claim filing fee	= \$ 600.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 3,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 16-19, 2001, adjournment requested by MSDW	= \$ 1,200.00
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Forum Fees and Assessments

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

Two (2) Pre-hearing sessions with a single arbitrator x \$450	= \$ 900.00
Pre-hearing conferences:	
March 5, 2002	1 session
May 2, 2002	1 session
Four (4) Pre-hearing session with the panel x \$1,200	= \$ 4,800.00
Pre-hearing conferences:	
May 9, 2001	1 session
August 24, 2001	1 session
September 6, 2001	1 session
February 13, 2002	1 session
Six (6) Hearing sessions x \$1,200	= \$ 7,200.00
Hearing dates:	
May 6, 2002	2 sessions
May 7, 2002	2 sessions
May 8, 2002	2 sessions
Total Forum Fees	= \$12,900.00

The Panel has assessed the forum fees incurred in this arbitration as follows: one third of the forum fees (\$4,300.00) are assessed to Stephen D. Dawahare and two thirds of the forum fees (\$8,600.00) are assessed to Morgan Stanley Dean Witter.

FEE SUMMARY

1. Claimant Stephen D. Dawahare is solely liable for:

NASD Dispute Resolution, Inc.
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Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 4,800.00
Total Fees	= \$ 4,900.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due to NASD Dispute Resolution, Inc.	= \$ 3,100.00

2. Respondent Morgan Stanley Dean Witter, is solely liable for:

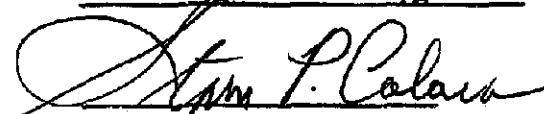
Forum Fees	= \$ 8,600.00
Adjournment Fee	= \$ 1,200.00
<u>Member Fees</u>	= \$ 8,600.00
Total Fees	= \$18,400.00
<u>Less payments</u>	= \$ 8,800.00
Balance Due to NASD Dispute Resolution, Inc.	= \$ 9,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Stephen P. Calardo	-	Public Arbitrator, Chairperson
Sarah Martin, CFA, CFP	-	Public Arbitrator
Wallace E. Sarran, Jr.	-	Non-Public Arbitrator

Concurring arbitrators' signatures -


Stephen P. Calardo
Public Arbitrator

5/31/02
Signature Date

Sarah Martin, CFA, CFP
Public Arbitrator

Signature Date

Wallace E. Sarran, Jr.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution, Inc., office use only)

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Signature Date

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5/30/02
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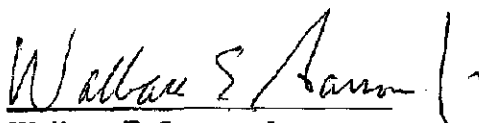
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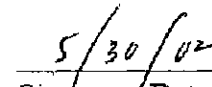
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