

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Pamela Lytel and Bret Lytel, (Claimants) v. Morgan Stanley DW, Inc. and Lisa Byron,
(Respondents)

Case Number: 00-04806

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Claimant Pamela Lytel and Bret Lytel ("Lytel"), hereinafter collectively referred to as "Claimants": Paul J. Sussman with law offices located in Chicago, Illinois.

Respondent Morgan Stanley DW, Inc. ("Morgan Stanley DW, Inc.") and Lisa Byron ("Byron") hereinafter collectively referred to as "Respondents": Peter J. Aldrich, Esq. with law offices located in Palm Beach Gardens, Florida. Respondents were originally represented by Alan S. Brodherson with Morgan Stanley's Legal Department located in New York City, New York.

CASE INFORMATION

Statement of Claim filed on or about: October 30, 2000

Claimants signed the Uniform Submission Agreement: October 17, 2000

Claimants' Response to Respondents' Motion to Dismiss filed on or about: January 18, 2001

Statement of Answer and Motion to Dismiss filed by Respondents on or about:
December 27, 2000

Respondent Morgan Stanley DW, Inc. signed the Uniform Submission Agreement:
December 21, 2001

CASE SUMMARY

Claimant Pamela Lytel and Bret Lytel asserted the following causes of action:
Unsuitability, Unauthorized Trading, Churning, Misrepresentation, Breach of Fiduciary Duty; Common Law Fraud; Violation of the Illinois Deceptive Business Practices Act, Violation of Federal Securities Acts, and Violation of State Securities Acts.

The causes of action relate to the Centennial Technologies Stock among other stocks and options.

Unless specifically admitted in its Answer, Respondents Morgan Stanley DW, Inc. and Lisa Byron denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Failure to state a claim upon which relief may be granted;
2. Respondents did not act with any intent to defraud claimants or with any wilfull disregard for them;
3. Respondents did not misrepresent or omit material facts;
4. The action or inaction of Claimants, but not Respondents, caused their alleged damages;
5. Failure to mitigate alleged damages;
6. Claimants ratified the transactions at issue;
7. Claimants waived the claims asserted herein;
8. Claimants, by their conduct, and under all of the circumstances of this case, are estopped from asserting the claims herein;
9. Events occurred, not caused by Respondents, which constituted superseding or intervening caused of some or all of the alleged damages of which Claimants complain;
10. Any and all duties owed to Claimants were fully and faithfully performed;
11. This was a non-discretionary account and Respondents had no fiduciary duty to Claimants as a matter of law;
12. There was no negligence by Respondents in the handling of Claimants' accounts;
13. Respondent firm had in place adequate supervisory procedures which it reasonably and diligently implemented and followed;
14. Claimants are not entitled to attorney's fees or punitive damages as a matter of law;
15. Claimants are barred, in whole or in part, by the applicable statutes of limitations;
16. Claimants' losses, if any, were not proximately caused by Respondents;
17. Claims are barred by, or should be reduced by, Claimants' own comparative and/or contributive negligence in the conduct and handling of their securities accounts; and
18. Any causes of action asserted by Claimants as arising pursuant to alleged violation of the rules of the NASD or NYSE must be dismissed, since no private right of action exists at law for violation of these rules.

RELIEF REQUESTED

Claimant Pamela Lytel and Bret Lytel requested:

Compensatory Damages	\$52,511.79
Punitive Damages	\$45,000.00
Interest	Legal Rate

Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	any relief the panel finds just

Respondent Morgan Stanley DW, Inc. and Lisa Byron requested:
Other Monetary/Non-Monetary Relief if any: dismissal of proceedings

OTHER ISSUES CONSIDERED AND DECIDED

After considering Respondents' Motion to Dismiss and all related submissions, the panel denied the motion.

Respondent Byron did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301(a) of the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

AWARD

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

1. Respondents Morgan Stanley DW, Inc. and Lisa Byron are jointly and severally liable for and shall pay to Claimants Pamela Lytel and Bret Lytel the sum of \$15,000.00 as compensatory damages.
2. Parties shall bear their own costs, including attorney's fees.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$ 225.00
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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, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$1,500.00</u>
Total Member Fees	= \$3,100.00

Adjournment Fees

Adjournments requested during these proceedings:

Respondent Morgan Stanley requested the adjournment of the April 02-03, 2002 hearing dates.

Adjournment fee: = \$ 750.00

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 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 \$750.00	= \$ 750.00
Pre-hearing conferences: July 25, 2001 1 session	
Two (2) Hearing sessions x \$750.00	= \$1,500.00
<u>Hearing Dates: April 29, 2002 2 sessions</u>	<u></u>
Total Forum Fees	= \$2,250.00

The panel has assessed \$2,250.00 of the forum fees jointly and severally to Morgan Stanley DW, Inc. and Lisa Byron.

Fee Summary

1. Claimant Pamela Lytel and Bret Lytel are jointly and severally liable for solely liable for:

<u>Initial Filing Fee</u>	= \$ 225.00
<u>Total Fees</u>	= \$ 225.00
<u>Less payments</u>	= \$ 975.00
Refund Due From NASD Dispute Resolution, Inc.	= \$ 750.00

2. Respondent Morgan Stanley DW, Inc. is solely liable for:

Member Fees	= \$ 3,100.00
<u>Adjournment Fee</u>	<u>= \$ 750.00</u>
<u>Total Fees</u>	<u>= \$ 3,850.00</u>
<u>Less payments</u>	<u>= \$ 1,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,250.00

3. Respondents Morgan Stanley DW, Inc. and Lisa Byron are jointly and severally liable for:

Forum Fee	= \$ 2,250.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,250.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Haralyn H. Isaac, Esq. - Public Arbitrator, Presiding Chair
Shirley L. Berngard, Esq. - Public Arbitrator
Edward M. Roob - Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Haralyn H. Isaac

05/24/02

Haralyn H. Isaac, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/ Shirley L. Berngard

05/10/02

Shirley L. Berngard, Esq.
Public Arbitrator

Signature Date

/s/ Edward M. Roob

05/10/02

Edward M. Roob
Non-Public Arbitrator

Signature Date

05/28/02

Date of Service (For NASD-Dispute Resolution office use only)

NASD Dispute Resolution, Inc.
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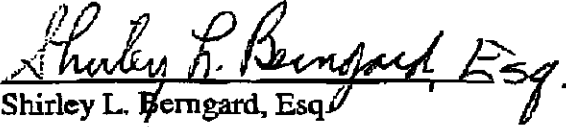
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