

AWARD-NASD

In the Matter of the Arbitration Between:

Claimant William M. Persons v. Respondent Morgan Stanley Dean Witter and Randall Chinn

Case Number: 00-05272

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimant William M. Persons hereinafter referred to as "Claimant," was represented by Frank V. Ghiselli, Esq., located in Houston, Texas.

Respondents Morgan Stanley Dean Witter ("Morgan Stanley") and Randall Chinn ("Mr. Chinn") hereinafter referred collectively referred to as Respondents were represented by David D. Sterling, Esq., of Baker, Botts LLP, located in Houston, Texas.

CASE INFORMATION

Claimant filed a Statement of Claim on or about: November 29, 2000.

Claimant signed the Uniform Submission Agreement on November 10, 2000.

Respondents Morgan Stanley and Mr. Chinn filed a Joint Statement of Answer on January 22, 2001.

Respondent Morgan Stanley signed a Uniform Submission Agreement on January 16, 2001.

Respondent Mr. Chinn signed a Uniform Submission Agreement on January 18, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: violations of the Deceptive Trade Practices Act; breach of fiduciary duty; negligent misrepresentation; breach of contract; violations of section 33 of the Texas Securities Act; negligence and gross negligence. All of these causes of action relate to the purchase by Claimant of a flexible premium deferred variable annuity.

Unless specifically admitted in their answer, Respondents denied the allegations in the Statement of Claim and set forth the following affirmative defenses:

1. Claimant's investment in the annuity was expressly authorized by him, was suitable and was not predicated on any omissions or misrepresentation;
2. Morgan Stanley and Mr. Chinn complied with all applicable rules and regulations, including those of the NASD, in all respects;
3. Claimant's claims should be barred under the doctrines of ratification, waiver, estoppel, and laches as he sat silently for nearly two years before making the slightest complaint about the investment;
4. Claimant has suffered no damages.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 909,591.00
Punitive damages	\$ 450,000.00
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety.

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. Claimant William M. Persons' Claims against Respondents Morgan Stanley Dean Witter and Randall Chinn are dismissed in their entirety, with prejudice;
2. Except as otherwise specified herein, each party shall bear its own costs;
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 retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 500.00

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 person at the time of the event-giving rise to the dispute. In this matter, the member firm is Morgan Stanley Dean Witter.

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

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:

Two (2) Pre-hearing session with the Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences:	
June 18, 2001	1 session
February 21, 2002	1 session
Four (4) Hearing sessions x \$1,200.00	= \$ 4,800.00
Hearing Dates:	
May 21, 2002	2 sessions
May 22, 2002	2 sessions
Total Forum Fees	= \$ 7,200.00

The Panel has assessed \$ 7,200.00 in forum fees against Respondents Morgan Stanley and Mr. Chinn jointly and severally.

FEE SUMMARY

Claimant is solely liable for:

Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$1,700.00
Balance refunded by NASD	= \$1,200.00

Respondent Morgan Stanley is solely liable for:

Member Fees	= \$7,600.00
Total Fees	= \$7,600.00
Less payments	= \$5,600.00
Balance due to NASD	= \$2,000.00

Respondents Morgan Stanley and Randall Chinn are jointly and severally liable for:

Forum Fees	= \$7,200.00
------------	--------------

Less payments	= \$ 00
Balance due to NASD	= \$ 7,200.00

ARBITRATION PANEL

Richard F. Dole, Jr., Esq., -Public Arbitrator, Presiding Chair
Gregory E. Muenster -Non-Public Arbitrator
James E. Schlottmann-Public Arbitrator

Concurring Arbitrators' Signatures

Richard F. Dole, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Gregory E. Muenster
Non-Public Arbitrator

Signature Date

James E. Schlottmann
Public Arbitrator

Signature Date

Date of Service (For NASD use only)

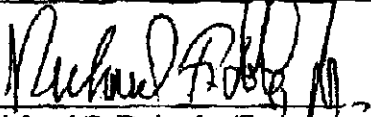
NASD # 00-5272
P. 4 of 4

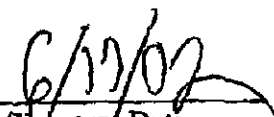
Less payments	= \$ 00
Balance due to NASD	= \$ 7,200.00

ARBITRATION PANEL

Richard F. Dole, Jr., Esq., -Public Arbitrator, Presiding Chair
Gregory E. Muenster -Non-Public Arbitrator
James E. Schlottmann-Public Arbitrator

Concurring Arbitrators' Signatures


Richard F. Dole, Jr., Esq.
-Public Arbitrator, Presiding Chair


Signature Date

Gregory E. Muenster
Non-Public Arbitrator

Signature Date

James E. Schlottmann
Public Arbitrator

Signature Date

Date of Service (For NASD use only)

NASD # 00-5272
P. 4 of 4

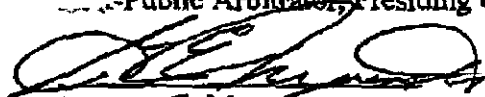
Less payments	= \$ 00
Balance due to NASD	= \$ 7,200.00

ARBITRATION PANEL

Richard F. Dole, Jr., Esq., -Public Arbitrator, Presiding Chair
Gregory E. Muenster -Non-Public Arbitrator
James E. Schlottmann-Public Arbitrator

Concurring Arbitrators' Signatures

Richard F. Dole, Jr., Esq.
Public Arbitrator, Presiding Chair



Gregory E. Muenster
Non-Public Arbitrator

Signature Date

6/17/02

Signature Date

James E. Schlottmann
Public Arbitrator

Signature Date

Date of Service (For NASD use only)

NASD #00-5272
P. 4 of 4

Less payments	= \$	00
Balance due to NASD	= \$	7,200.00

ARBITRATION PANEL

Richard F. Dole, Jr., Esq., -Public Arbitrator, Presiding Chair
Gregory E. Muenster -Non-Public Arbitrator
James E. Schlottmann-Public Arbitrator

Concurring Arbitrators' Signatures

Richard F. Dole, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Gregory E. Muenster
Non-Public Arbitrator

Signature Date

James E. Schlottmann
James E. Schlottmann
Public Arbitrator

6-17-02
Signature Date

Date of Service (For NASD use only)