

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Warren L. Scott IRA Account

and

01-01108
Houston, Texas

Name of Respondents

Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc.
Cheryl Black Taylor
Robert Gehring

REPRESENTATION OF PARTIES

Warren L. Scott IRA Account ("**Claimant**") was represented by Warren L. Scott.

Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc. ("**Respondent Morgan Stanley**"), Cheryl Black Taylor ("**Respondent Taylor**") and Robert Gehring ("**Respondent Gehring**") (collectively as "**Respondents**") were represented by Janet T. Epstein, Esq., Morgan Stanley DW Inc., San Francisco, California.

CASE INFORMATION

The Statement of Claim was filed on or about March 6, 2001. Submission Agreement of Claimant Warren L. Scott IRA Account was signed on March 1, 2001.

Respondents' Answer to Statement of Claim was filed by Respondents Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc., Cheryl Black Taylor and Robert Gehring on or about . Submission Agreement of Respondent Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc. was signed on May 2, 2001 by Janet T. Epstein. Submission Agreement of Respondent Cheryl Black Taylor was signed on March 26, 2001. Submission Agreement of Respondent Robert Gehring was signed on March 26, 2001.

CASE SUMMARY

Claimant alleged that Respondents were negligent; breached their fiduciary duty; made unsuitable recommendations; gave inappropriate advice; and made material misrepresentations and/or omitted material facts. It was alleged that Respondents engaged in the complained of activity in connection

with the reallocation of his IRA assets from a single growth and income mutual fund into various diversified growth and income mutual funds.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Claimant is an accountant and experienced investor. It was also stated that Claimant made the investment decisions complained of and pursued his trading strategies against the advice of both Respondents Taylor and Gehring. Respondents stated that Claimant relied on his own investment experience and research skills.

RELIEF REQUESTED

Claimant requested an award in the amount of \$47,383.00 (which sum includes a request for punitive damages in the amount of \$7,500) plus associated fees and costs.

Respondents requested that the Statement of Claim be dismissed in its entirety, that Ms. Taylor's and Mr. Gehring's CRD records be expunged, and for any additional relief the panel deems appropriate.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered.

AWARD

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

1. The claims asserted by Claimant Warren L. Scott versus Respondents Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc., Cheryl Black Taylor and Robert Gehring are dismissed without recovery.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.
4. The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Robert Gehring's (CRD number 2905695) registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to M Members 99-09 and 99-54, Respondent Robert Gehring

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 Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$175.00

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 Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,000.00

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing session(s) with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference(s): August 2, 2001 1 session	
Two (2) Hearing sessions x \$450.00	= \$900.00
Hearing Date(s): January 16, 2002 2 sessions	
Total Forum Fees	= \$1,350.00

The Arbitration Panel has assessed \$675.00 of the forum fees to Warren L. Scott IRA Account. The Arbitration Panel has assessed \$675.00 of the forum fees to Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc., Cheryl Black Taylor, Robert Gehring, jointly and severally.

Fee Summary

Claimant, Warren L. Scott IRA Account, shall be and hereby is liable for:

Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	= \$ 675.00
Total Fees	= \$ 850.00
<u>Less payments</u>	= \$ 625.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 225.00

Respondent, Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc., shall be and hereby is liable for:

Member Fees	= \$2,400.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$2,400.00
<u>Less payments</u>	= \$3,400.00
Balance applied below	= \$1,000.00

Respondents, Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc., Cheryl Black Taylor, and Robert Gehring shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 675.00
<u>Less balances applied</u>	= \$1,000.00
Balance refunded to Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc.	= \$ 325.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Edward Wood Burnett - Public Arbitrator

Presiding Arbitrator:

/s/ Edward Wood Burnett
Edward Wood Burnett
Presiding Arbitrator

February 20, 2002
Signature Date

Fee Summary

Claimant, Warren L. Scott IRA Account, shall be and hereby is liable for:

Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	= \$ 675.00
Total Fees	= \$ 850.00
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Balance Due NASD Dispute Resolution, Inc.	= \$ 225.00

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Morgan Stanley DW Inc. f/k/a Dean Witter Reynolds Inc.	= \$ 325.00

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