

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 01-02084

Doris Kay Steele;
Margaret Davis ;
Paralee Kortis;
James Harrod; and
Kris Steele

Name of the Respondents

Hearing Site: Oklahoma City, Oklahoma

Morgan Stanley DW, Inc.;
James Wood; and
William Link

REPRESENTATION OF PARTIES

Claimants Doris Kaye Steele ("Kaye Steele"), Margaret Davis ("Davis"), Paralee Kortis, (Kortis) James Harrod, ("Harrod") Kris Steele ("Kris Steele") hereinafter collectively referred to as "Claimants": Harry A. Woods, Jr., Esq., of the firm Crowe & Dunlevy, Oklahoma City, Oklahoma.

Respondents Morgan Stanley DW Inc., ("Morgan Stanley "), William D. Link, Jr. ("Link") and James S. Wood, ("Wood"), hereinafter collectively referred to as the "Respondents": Phillip G. Whaley, Esq., of the Ryan & Whaley, Oklahoma City, Oklahoma.

CASE INFORMATION

Statement of Claim filed on or about: April 27, 2001.

Claimant Doris Kaye Steele signed the Uniform Submission Agreement: April 23, 2001.

Claimant Margaret Davis signed the Uniform Submission Agreement: April 23, 2001.

Claimant James Harrod signed the Uniform Submission Agreement: April 23, 2001.

Claimant Paralee Kortis signed the Uniform Submission Agreement: April 23, 2001.

Claimant Kris Steele signed the Uniform Submission Agreement: April 23, 2001.

Joint Statement of Answer filed by the Respondents on or about: July 25, 2001.

Janet T. Epstein signed the Uniform Submission Agreement on behalf of Morgan Stanley DW on July 17, 2001.

Respondent Link signed the Uniform Submission Agreement on July 18, 2001.

Respondent Wood signed the Uniform Submission Agreement on July 18, 2001.

Claimants' Pre-Hearing Brief filed on or about: July 9, 2002

Respondents' Hearing Brief filed on or about: July 3, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Fiduciary Duty, Churning, Misrepresentations, Suitability, Omission of facts, Unauthorized Trading, Margin Calls, Negligence, Failure to Supervise. The allegations in the Statement of Claim relate to the sale and purchase of UPS securities.

Unless specifically admitted in the Statement of Answer, Respondents' denied the allegations made in the Statement of Claim and asserted the following defenses: Failure to state a claim upon which relief can be granted, waiver, estoppel, ratification, and failure to mitigate damages.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 8,200,000.00
Punitive Damages	\$ 8,200,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	

Respondents request that the Statement of Claim be dismissed in its entirety and that the Claimants be ordered to pay Respondents' costs, including reasonable attorney's fees and any other relief deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Morgan Stanley, Link and Wood filed a Motion to Dismiss following the presentation of Claimant's case. After considering the arguments presented by the parties, the Panel denied the motion at the hearing.

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 Dean Witter, Inc, William D. Link and James S. Wood are jointly and severally liable for and shall pay to Claimant Paralee Kortis the sum of Fifty One Thousand Seven Hundred and Forty-Eight Dollars and No Cents (\$51, 748.00) as Compensatory Damages;
2. In addition, Respondents Morgan Stanley Dean Witter, Inc. William D. Link and James S. Wood are jointly and severally liable for and shall pay to Claimant

Paralee Kortis the sum of Twenty Five Thousand Dollars Eight Hundred and Seventy Four Dollars and No Cents (\$25, 874.00) as Punitive Damages. In deciding to award punitive damages, the panel considered the arguments and pleadings presented by the parties, as well as Oklahoma statute, and determined that authority existed for an award of punitive damages to the Claimant Paralee Kortis;

3. Respondents Morgan Stanley Dean Witter, Inc., William D. Link and James S. Wood are jointly and severally liable for and shall pay to Claimant Kris Steele the sum of Fourteen Thousand One Hundred and Forty Five Dollars and No Cents (\$14,145.00) as Compensatory Damages;
4. Respondents Morgan Stanley Dean Witter, Inc., William D. Link, and James S. Wood are jointly and severally liable for and shall pay to Claimant James Harrod the sum of Nineteen Thousand Two and Fifty-Three Dollars and No Cents (\$19,253.00) as Compensatory Damages;
5. Respondents Morgan Stanley Dean Witter, Inc., William D. Link, James S. Wood are jointly and severally liable for and shall pay to Claimant Kay Steele the sum of Eighty Five Thousand Eight Hundred and Forty Eight Dollars and No Cents (\$85,848.00) as Compensatory Damages;
6. Respondents Morgan Stanley Dean Witter, Inc., William D. Link and James S. Wood are jointly and severally liable for and shall pay to Claimant Margaret Davis the sum of Four Hundred and Seventy Thousand Three Hundred and Fifteen Dollars and No Cents (\$470, 315.00) as Compensatory Damages;
7. Respondents Morgan Stanley Dean Witter Inc., William D. Link and James S. Wood are jointly and severally liable for and shall pay to Claimants Margaret Davis, James Harrod, Paralee Kortis, Doris Kaye Steele and Kris Steele, the sum of One Hundred and Forty Six Thousand and Sixty-Five Dollars and No Cents (\$146, 065.00) as attorney's fees. In deciding to award attorneys' fees, the panel considered the arguments and submissions filed by the parties, as well as Oklahoma statute, and determined that authority exist for an award of attorney's fees to Claimants;
8. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees; and
9. 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 will retain or collect the non-refundable filing fees for each claim:

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. Accordingly, Morgan Stanley Dean Witter Inc. is a party to this matter and assessed the following member fees.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: January 22, 2002	
One (1) Pre-hearing session with single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: March 5, 2002	
Fourteen (14) Hearing sessions @ \$1,200.00	= \$16,800.00
Hearing Dates: July 22, 2002 2 sessions	
July 23, 2002 2 sessions	
July 24, 2002 3 sessions	
July 25, 2002 3 sessions	
July 26, 2002 2 sessions	
July 27, 2002 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$18,450.00

Respondents Morgan Stanley Dean Witter Inc., William D. Link and James S. Wood are jointly and severally liable for the entire forum fees of \$18,450.00.

SEE SUMMARY

Claimants Doris Kaye Steele, Kris Steele, Paralee Kortis, Margaret Davis, James Harrod are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Less payments	= \$ 1,800.00
Balance Refunded by NASD Dispute Resolution	= \$ 1,200.00

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

Member Fees	= \$ 9,200.00
Less payments	= \$ 9,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents Morgan Stanley Dean Witter, Inc., William D. Link and James S. Wood are jointly and severally liable for:


Forum Fees	= \$ 18,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 18,450.00

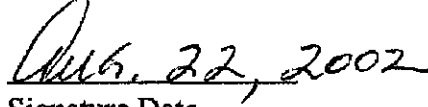
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Phil E. Macy - Public Arbitrator, Presiding Chair
Thomas A. Bamberger, Esq. - Public Arbitrator
Williams Massad - Non-Public Arbitrator

Concurring Arbitrators' Signatures


Phil E. Macy
Public Arbitrator, Presiding Chairperson


Signature Date

Thomas A. Bamberger, Esq.
Public Arbitrator

Signature Date

William Massad
Non-Public Arbitrator

Signature Date


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

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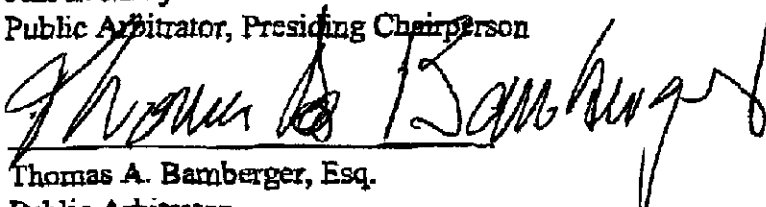
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 Thomas A. Bamberger, Esq. - Public Arbitrator
 Williams Massad - Non-Public Arbitrator

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 Phil E. Macy
 Public Arbitrator, Presiding Chairperson


 Thomas A. Bamberger, Esq.
 Public Arbitrator

Signature Date

Aug 27-02
 Signature Date

 William Massad
 Non-Public Arbitrator

Signature Date

8/27/02 
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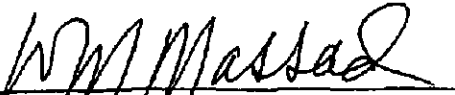
Concurring Arbitrators' Signatures

Phil E. Macy
Public Arbitrator, Presiding Chairperson

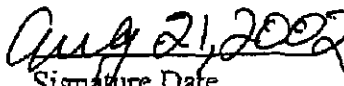
Signature Date

Thomas A. Bamberger, Esq.
Public Arbitrator

Signature Date



William Massad
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Signature Date



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