
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Morgan Stanley Dean Witter,
Claimant,

Vs.

Robert William Anson, Adnan A. Sardar, Richard P. O'Leary, II, Stephen H. Williams,
First Union Securities, Inc.
Respondents.

Case Number: 01-02097

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimants, Dean Witter Reynolds Inc. n/k/a Morgan Stanley Dean Witter ("MSDW") was represented by Robert L. Tobey, Esquire, of the Firm Johnson and Tobey, Dallas, Texas.

Respondents, Adnan A. Sardar ("Sardar"), Richard P. O'Leary, II ("O'Leary"), Stephen H. Williams ("Williams") and First Union Securities, Inc. ("First Union") were represented by Retta A. Miller, Esquire and James M. McCowen, Esquire of the Firm Jackson Walker LLP, Dallas, Texas.

CASE INFORMATION

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

The NASD has no record of Claimant's, MSDW signed Uniform Submission Agreement.

Claimant, MSDW filed an application for Injunctive Relief and in connection therewith has presented a request for a Temporary Restraining Order on or about: April 27, 2001.

Respondents, Anson, Sardar, O'Leary, Williams, and First Union jointly filed a Statement of Answer and a Counter Claim on or about: April 27, 2001.

The NASD has no record of Respondents', Anson, Sardar, O'Leary, Williams, and First Union's signed Uniform Submission Agreement.

CASE SUMMARY

Claimant, MSDW alleged the following causes of action against the Respondents: Misappropriation of confidential information: Tortious interference: Breach of fiduciary duty: Breach of employment contract and Raiding.

Unless specifically admitted in his Statement of Answer, Respondents, Anson, Sardar, O'Leary, Williams and First Union denied all allegations set forth in the Statement of Claim and asserted defenses including the following: the employment agreements made the basis of this lawsuit constitute adhesion contracts that are illegal and unenforceable at law; the restrictive covenants contained within the employment agreements made the basis of this lawsuit are as a matter of law, overbroad, illegal, unreasonable and unenforceable as written; the employment agreements are without consideration in whole or in part; Claimant should be precluded from obtaining any equitable relief based upon doctrine of unclean hands; Claimant has breached the agreements in whole or in part; and Claimant has failed to state a claim upon which relief can be granted. Respondent Counterclaimant alleged the following causes of action in its counterclaim: tortious interference; breach of fiduciary duty; conversion and misrepresentation.

Unless specifically admitted in his Answer to Respondent's Counterclaim, Claimant, MSDW denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant, Morgan Stanley Dean Witter requested:

Compensatory Damages	unspecified
Interest	unspecified
Costs	unspecified
Attorney's Fees	unspecified

Respondents, Robert William Anson, Adnan A. Sardar, Richard P. O'Leary, II, Stephen H. Williams, First Union Securities, Inc. requested:

Compensatory Damages	unspecified
Costs	unspecified
Attorney's Fees	unspecified

Respondents, Anson, Sardar, O'Leary, Williams and First Union requested that the Statement of Claim and the request for permanent injunctive relief be denied in its entirety. Respondents additionally requested all other relief in these proceedings, including their attorneys' fees and costs, to which they may show themselves justly entitled.

OTHER ISSUES CONSIDERED AND DECIDED

After the completion of the NASD Code of Arbitration Rule 10335(g) hearing on this matter, the panel issued an order advising the parties of their ruling. The award is the final confirmation of the order, incorporating the ruling already issued to the parties.

Respondents, Anson, Sardar, O'Leary, Williams and First Union did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and having answered the claim, and appeared at the hearing are bound by the determination of the Panel on all issues submitted.

Claimant, Morgan Stanley Dean Witter, did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and having answered the claim, and appeared at the hearing is bound by the determination of the Panel on all issues submitted.

An immediate Injunctive Order was granted by the The Chairman on May 2, 2001. The Chairman ordered that Respondents, Anson, Sardar, O'Leary, Williams and First Union deliver to counsel for MSDW all copies of business records of MSDW in their possession or control, pending the decision on the merits in this matter.

Further, the panel ordered that the individual Respondents to be enjoined and restrained, directly or indirectly and whether alone or in concert with others, including any officer, agent, representative and or employee, their new employer, Respondent First Union until hearing and thereafter until further Order of the Panel.

Respondents' Motion to modify Injunctive Order was submitted on May 14, 2001. Respondents' requested that the Order be modified to allow Respondents to accept account transfers from customers in accordance with NASD Rules and to transact business for any customers who have initiated the transfer of their accounts from MSDW to First Union. After receiving responses from all counsel on the Motion, and oral argument of the Motion, the panel denied the Motion.

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, Robert W. Anson, Adnan A. Sardar, Richard P. O'Leary, II, Stephen H. Williams, and First Union Securities Incorporated are jointly and severally liable for and shall pay to Claimant, Morgan

Stanley Dean Witter the sum of ninety-eight thousand dollars (\$98,000) as compensatory damages.

2. Respondents, Robert W. Anson, Adnan A. Sardar, Richard P. O'Leary, II, Stephen H. Williams and First Union Securities Incorporated are jointly and severally liable and shall pay in addition to the compensatory damages, Claimant's attorney's fees of eighteen thousand dollars (\$18,000). In making the award of attorneys' fee, the panel reviewed and considered all pleadings, motions, testimony and exhibits submitted at the hearings, and argument of counsel and find that authority exists for this award of attorney's fees.
3. Upon payment of all amounts set forth in this award, the existing restraining order against Respondents shall be terminated.
4. Except as otherwise specified herein, each party shall bear its own costs.
5. 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
Counter Claim Filing Fee	= \$500

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, Morgan Stanley Dean Witter Incorporated and First Union, Inc. are member firms.

Member Fees from Morgan Stanley Dean Witter Incorporated:

Member surcharge	= \$ 1,200
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$ 2,000
Total Member Fees	= \$ 3,800

Member Fees from First Union Securities Incorporated:

Member Surcharge	= \$1,200
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$ 2,000
 Total Member Fees	 = \$ 3,800

Forum Fees and Assessments

The arbitrator 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 that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,000		= \$ 1,000
Pre-hearing conference(s):	May 21, 2001	1 session
 One (1) Pre-hearing session with Single Arbitrator x \$450		= \$ 450
Pre-hearing conference(s):	May 02, 2001	1 session
 Four (4) Hearing sessions x \$1,000		= \$ 4,000
Hearing Date(s):	June 6, 2001	2 sessions
	June 7, 2001	2 sessions
<hr/> Total Forum Fees		<hr/> = \$ 5,450

The Panel has assessed the Forum Fees in equal shares between the Respondents:

1. Robert W. Anson,
2. Adnan A. Sardar,
3. Richard P. O'Leary, II,
4. Stephen H. Williams.
5. First Union Securities, Incorporated.

The Panel has assessed \$1,090 in forum fees to each Respondent.

Fee Summary

1. Claimant, Morgan Stanley Dean Witter, Inc, be and hereby is solely liable for:

Claim Filing Fee	= \$ 500
Injunctive Fee	= \$ 2,500
Member Fees	= \$ 3,800.00
Total Fees	= \$ 6,800.00
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,800.00
2. Respondent, First Union Securities Incorporated, be and hereby is solely liable for:

Forum Fees	= \$ 1,090
------------	------------

Counter Claim Filing Fee	= \$ 500
<u>Member Fees</u>	= \$ 3, 800.00
Total Fees	= \$ 5,390.00
<u>Less payments</u>	= \$ 1,200
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,190.00

3. Respondent, Robert W. Anson, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1, 090.00
Total Fees	= \$ 1,090.00
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,090.00

4. Respondent, Adnan A. Sardar, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1,090.00
Total Fees	= \$ 1,090.00
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,090.00

5. Respondent, Richard P. O'Leary, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1,090.00
Total Fees	= \$ 1,090.00
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,090.00

6. Respondent, Stephen H. Williams, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1,090.00
Total Fees	= \$ 1,090.00
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,090.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James Mervin Benson, Jr., Esquire	-	Public, Presiding Chair
Daniel A. Kile, Esquire	-	Non-Public, Panelist
W. Donald Parr.	-	Public, Panelist

James Mervin Benson, Esquire
Public Arbitrator, Presiding Chair

Signature Date

Daniel A. Kile, Esquire
Public Arbitrator, Panelist

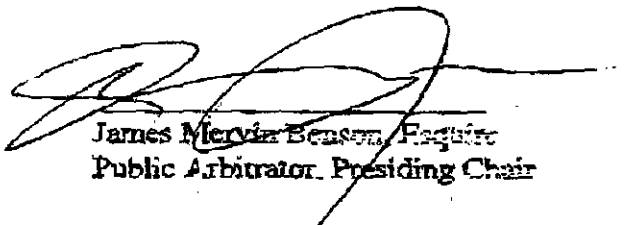
Signature Date

W. Donald Parr
Non-Public Arbitrator, Panelist

Signature Date

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

NASD-DR Award
Arbitration # 01-02097
Page 7 of 7



James Mervin Benson, Esquire
Public Arbitrator, Presiding Chair

8-7-01
Signature Date

Daniel A. Kile, Esquire
Public Arbitrator, Panelist

Signature Date

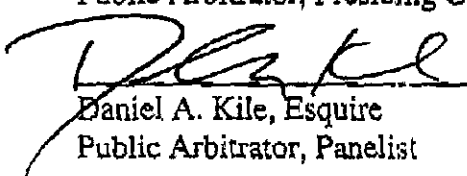
W. Donald Parr
Non-Public Arbitrator, Panelist

Signature Date

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

James Mervin Benson, Esquire
Public Arbitrator, Presiding Chair

Signature Date


Daniel A. Kile, Esquire
Public Arbitrator, Panelist


Signature Date

W. Donald Parr
Non-Public Arbitrator, Panelist

Signature Date


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

James Mervin Benson, Esquire
Public Arbitrator, Presiding Chair

Signature Date

Daniel A. Kile, Esquire
Public Arbitrator, Panelist

Signature Date



W. Donald Parr
Non-Public Arbitrator, Panelist

7/25/01

Signature Date

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