

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Morgan Stanley Dean Witter, Inc. (t/a Morgan Stanley), Claimant v. Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., Respondents

Case Number: 01-02592

Hearing Site: Las Vegas, Nevada

REPRESENTATION OF PARTIES

For Claimant:

Patrick J. Folan, Esq.
St. John, Wallace, Brennan &
Folan LLP
Torrance, California

For Respondents:

William D. Nelson, Esq.
Rothgerber, Johnson, & Lyons LLP
Denver, Colorado

CASE INFORMATION

Statement of Claim filed: May 14, 2001

Claimant's Uniform Submission Agreement signed: May 14, 2001

Joint Statement of Answer filed by Respondents Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc.: June 4, 2001

Respondent Delon Bradley's Uniform Submission Agreement signed: July 10, 2001

Respondent Joseph Manos' Uniform Submission Agreement signed: July 10, 2001

Respondent Rebecca Saxton's Uniform Submission Agreement signed: July 10, 2001

Respondent First Union Securities, Inc.'s Uniform Submission Agreement signed: July 10, 2001

CASE SUMMARY

Claimant alleged breach of contract, conversion, misappropriation of confidential information, common law misappropriation, tortious interference, breach of fiduciary duty, and breach of loyalty. Allegations arose out of an employment dispute between Morgan Stanley Dean Witter, Inc. and its former employees.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimants requested temporary and permanent injunctive relief, lost commission revenues, return of personal property or the value thereof if not returned, attorney's fees, and interest.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, and that Claimant take immediate steps to dismiss with prejudice the preliminary injunction entered in the Nevada District Court.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

- 1) Respondents, Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., are jointly and severally liable to and shall pay Claimant \$85,000.00 in damages.
- 2) Respondents, Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., are jointly and severally liable to and shall pay Claimant \$380.00 per client, except for clients who are immediate family members of Respondents, for each account transferred from Claimant to First Union Securities, Inc. between April 27, 2001 and April 26, 2002, except for those account transfer requests delivered by First Union to Claimant on or before May 11, 2001.
- 3) From and after the date of this Award, Respondents, Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., are free to solicit and deliver account transfer requests for clients formerly serviced through Claimant.
- 4) Claimant shall promptly deliver to Respondents, Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., the names, addresses and telephone numbers of all clients formerly serviced by Respondents through Claimant, except for inherited accounts.
- 5) Claimant shall promptly deliver to Respondents, Delon Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., copies of the Respondents' historical notes for all

clients of Respondents previously transferred, and for any clients that are transferred to First Union Securities, Inc. on or before April 26, 2002.

- 6) Mr. Williams of First Union Securities, Inc., in his capacity as Branch Manager of the Las Vegas office and on behalf of all Respondents, shall promptly furnish a letter to Claimant confirming that, with the exception of prospecting information, Respondents have purged all electronic ACT program information and have destroyed all print-out ACT program information removed from Claimant.
- 7) Respondents, Delong Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc., are jointly and severally liable to and shall pay Claimant 8 percent simple interest per annum on the sum of \$85,000.00, starting from the 15th day after the date of the Award until the Award is paid in full.
- 8) Each party shall bear its own costs, including attorney's fees.
- 9) This Award is intended to replace the June 7, 2001 preliminary injunction issued by the District Court, Clark County, Nevada.
- 10) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events, which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morgan Stanley Dean Witter, Inc. and First Union Securities, Inc. are parties and the following fees are assessed to each:

Member Surcharge	= \$1,200.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$2,000.00
Total Member Fees	= \$3,800.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or Panel. The following fees are assessed:

2 Pre-hearing conference sessions with a single arbitrator @ \$ 450.00/session	= \$ 900.00
Pre-hearing conferences: June 20, 2001	1 session
June 26, 2001	1 session
1 Pre-hearing conference session with the Panel @ \$1,000.00/session	= \$1,000.00
Pre-hearing conference: June 5, 2001	1 session
7 Hearing sessions @ \$1,000.00/session	= \$7,000.00
Hearings: June 27, 2001	2 sessions
June 28, 2001	2 sessions
June 29, 2001	2 sessions
July 1, 2001	1 sessions
Total Forum Fees	= \$ 8,900.00

1. The Panel assessed \$4,450.00 of the forum fees to Claimant Morgan Stanley Dean Witter, Inc.
2. The Panel assessed \$4,450.00 of the forum fees jointly and severally to Respondents Delong Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc.

Fee Summary

1. Claimant Morgan Stanley Dean Witter, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 3,800.00
Forum Fees	= \$ 4,450.00
<u>Injunctive Fee</u>	<u>= \$ 2,500.00</u>
Total Fees	= \$11,250.00
<u>Less Payments</u>	<u>= \$ (5,200.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,050.00
2. Respondent First Union Securities, Inc. is charged with the following fees and costs:

<u>Member Fees</u>	<u>= \$ 3,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,800.00

NASD Dispute Resolution, Inc.

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3. Respondents, Delong Bradley, Joseph Manos, Rebecca Saxton, and First Union Securities, Inc. are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 4,450.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,450.00

All balances are payable to NASD Dispute Resolution, Inc. and are payable upon receipt of the Award pursuant to Rule 10330(g) of the Code of Arbitration Procedure.

ARBITRATION PANEL

James H. Mayer, Esq.	-	Chair, Public Arbitrator
Louis Joseph Tavano, Esq.	-	Public Arbitrator
Michael Dean	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James H. Mayer, Esq.
Chair, Public Arbitrator

Signature Date

Louis Joseph Tavano, Esq.
Public Arbitrator

Signature Date

Michael Dean
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

James H. Mayer, Esq.

Louis Joseph Tavano, Esq.


Michael Dean

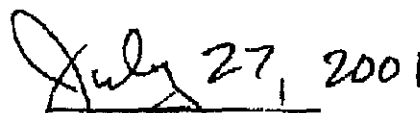
Chair, Public Arbitrator

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures


James H. Mayer, Esq.
Chair, Public Arbitrator


Signature Date

Louis Joseph Tavano, Esq.
Public Arbitrator

Signature Date

Michael Dean
Non-Public Arbitrator

Signature Date

7.31.01
Date of Service

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Louis Joseph Tavano, Esq.	-	Public Arbitrator
Michael Dean	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James H. Mayer, Esq.
Chair, Public Arbitrator

Signature Date

Louis Joseph Tavano, Esq.
Public Arbitrator

Signature Date


Michael Dean
Non-Public Arbitrator

7-31-2001
Signature Date

7.31.01
Date of Service

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James H. Mayer, Esq.	-	Chair, Public Arbitrator
Louis Joseph Tavano, Esq.	-	Public Arbitrator
Michael Dean	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James H. Mayer, Esq.
Chair, Public Arbitrator



Louis Joseph Tavano, Esq.
Public Arbitrator

Signature Date

7/27/01
Signature Date

Michael Dean
Non-Public Arbitrator

Signature Date

7.31.01
Date of Service