

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Morgan Stanley DW Inc.
(formerly Dean Witter Reynolds, Inc.),

Case Number: 01-02865

RECEIVED
JAN 30 2003

Name of the Respondent

Kevin Sorrels,

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimant, Morgan Stanley DW Inc., hereinafter referred to as "Claimant," was represented by Diane C. Fischer, Esq. of Kane & Fischer, Ltd located in Chicago, Illinois.

Respondent, Kevin Sorrels, hereinafter referred to as "Respondent," appeared pro se. Respondent was previously represented by Teresa M. Montgomery, Esq. of Ogden, Gibson, White & Brooks, LLP located in Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about May 30, 2001.

Claimant signed an undated Uniform Submission Agreement.

Respondent filed the Statement of Answer on or about July 13, 2001.

Respondent did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant, alleged, among other things, that Respondent breached his Account Executive Trainee Employment Agreement ("Agreement") entered into between Claimant and Respondent on or about April 27, 1998. Claimant asserted that the Agreement obligated Respondent to reimburse Claimant for training costs incurred during his employment with Respondent. Claimant contended that Respondent owes in excess of \$15,044.10, plus costs, attorneys' fees and interest.

Respondent denied all liability to Claimant in his Statement of Answer. Respondent asserted various affirmative defenses, including: the liquidated damages at issue are invalid under Texas

law; Respondent did not receive the financial benefit at issue; and failure to mitigate damages.

RELIEF REQUESTED

Claimant requested:

| | |
|----------------------|-------------|
| Compensatory Damages | \$15,044.10 |
| Interest | \$ 1,477.06 |
| Attorneys' Fees | \$ 1,871.50 |
| Other Costs | \$ 2,262.42 |

Respondent requested that the Statement of Claim be denied in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties resolved their dispute arising out of, and in connection with, the aforementioned Agreement by executing a Settlement Agreement. Pursuant to the terms of that Settlement Agreement, this award shall be signed by the arbitrators but no action will be taken by Claimant to enforce the award unless the Respondent fails to comply with the payment terms of the Settlement Agreement. Obtaining this Stipulated Award is pursuant to the terms of the Settlement Agreement. Should Respondent abide by the payment terms of the Settlement Agreement and pay Claimant the monies as agreed to, this Stipulated Award shall be deemed to be satisfied.

The parties stipulated to the entry of this award in the event Sorrels failed to comply with the payment terms set forth in the Settlement Agreement entered into between the parties in April 2002.

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and having answered the claim is bound by the determination of the Arbitrator on all issues submitted.

AWARD

Pursuant to the agreement of the parties, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Kevin Sorrels shall pay to Morgan Stanley DW Inc. (formerly Dean Witter Reynolds Inc.) the sum of \$20,655.08, less any payments made pursuant to the Settlement Agreement entered into by the parties in April 2002, plus interest at the rate of 6% per annum from May 14, 2002 until the date of full payment; and
2. 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 | = \$ 750.00 |
|--------------------------|-------------|

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. Morgan Stanley DW Inc. is a member firm.

| | |
|------------------|-------------|
| Member surcharge | = \$ 400.00 |
|------------------|-------------|

Forum Fees and Assessments

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

| | |
|--|-------------|
| One (1) Pre-hearing session with Arbitrator @ \$450.00 | = \$ 450.00 |
| Pre-hearing conference: March 12, 2002 1 session | |

| | |
|------------------|-------------|
| Total Forum Fees | = \$ 450.00 |
|------------------|-------------|

1. Claimant Morgan Stanley DW Inc. is liable for ½ total forum fees in the amount of \$225.00.
2. Respondent Kevin Sorrels is liable for ½ total forum fees in the amount of \$225.00

Fee Summary

Claimant Morgan Stanley DW Inc. is liable for:

| | |
|--------------------|---------------|
| Initial Filing Fee | = \$ 750.00 |
| Member Fees | = \$ 400.00 |
| Processing Fees | = \$ 00.00 |
| Forum Fees | = \$ 225.00 |
| Total Fees | = \$ 1,375.00 |
| Less payments | = \$ 1,600.00 |
| Refund Due | = \$ 225.00 |

Respondent Kevin Sorrels is liable for:

| | | |
|-------------------------------------|------|--------|
| Forum Fees | = \$ | 225.00 |
| Total Fees | = \$ | 225.00 |
| Less payments | = \$ | 00.00 |
| Balance Due NASD Dispute Resolution | = \$ | 225.00 |

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

ARBITRATION PANEL

Robert N. Mackey-Industry Arbitrator

Arbitrator's Signature



Robert N. Mackey
Industry Arbitrator

1/25/03
Signature Date

1/31/03

Date of Service (For NASD Dispute Resolution use only)