

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimants
Claudio Herrera and Irene Herrera

Case Number: 01-02886

Name of the Respondent
Morgan Stanley Dean Witter

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimants Claudio Herrera and Irene Herrera hereinafter collectively referred to as "Claimants": William S. Shepherd, Esq. of the firm Shephard, Smith & Bebel, P.C. located in Houston, Texas.

Respondent Morgan Stanley Dean Witter ("Morgan Stanley"): David D. Sterling, Esq. of the firm Baker Botts, LLP located in Houston, Texas.

CASE INFORMATION

Statement of Claim filed on or about: May 31, 2001

Claimant, Herrera, signed the Uniform Submission Agreement: May 21, 2001

Statement of Answer filed by Respondent Morgan Stanley, on or about: July 30, 2001

Claimants' Reply to Statement of Answer filed on or about: August 06, 2001

CASE SUMMARY

Claimants Herrera asserted the following causes of action: Breach of Contract and Warranties, Promissory Estoppel; Violation of the Texas Deceptive Trade Practices- Consumer Protection Act; Violation of the Federal Securities Exchange Act; Violation of the Texas Business and Commerce Code; Intentional, Reckless and/or Negligent Misrepresentation and/or Omission of Facts; and Failure to Supervise.

The causes of action relate to the Service Corporation International stocks.

Unless specifically admitted in its Answer, Respondent Morgan Stanley denied the allegations made in the Statement of Claim and asserted the following defenses: Claims Barred by Claimants' own Negligence/ Comparative Negligence and Failure to Mitigate.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$3,000,000.00
Punitive Damages	as panel deems appropriate
Interest	pre-award and pre-judgment interest
Attorneys' Fees	not specified
Other Costs	not specified
Other Monetary/Non-Monetary Relief if any:	as panel deems just and equitable

Respondent Morgan Stanley requested:

Other Monetary/Non-Monetary Relief if any:	Denial of Claim
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OTHER ISSUES CONSIDERED AND DECIDED

Respondent 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, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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. Any and all claims asserted by Claimants Claudio Herrera and Irene Herrera against Respondent Morgan Stanley Dean Witter are denied in their entirety.
2. Parties shall bear their own costs, including attorney's fees.
3. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$ 500.00
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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 that employed the associated person at the time of the events giving rise to the dispute. Morgan Stanley Dean Witter is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$4,500.00</u>
Total	= \$7,600.00

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 a single arbitrator at \$450.00	= \$ 450.00
Pre-hearing conference: June 11, 2002 1 session	
One (1) Pre-hearing session with Panel at \$1,200.00	= \$1,200.00
Pre-hearing conference: January 29, 2002 1 session	
Four (4) and Hearing sessions at \$1,200.00	= \$4,800.00
Hearing Dates: July 16, 2002 2 sessions	
July 17, 2002 2 sessions	
<u>Total Forum Fees</u>	<u>= \$6,450.00</u>

1. The Panel has assessed \$3,225.00 of the forum fees jointly and severally to Claudio Herrera and Irene Herrera.
2. The Panel has assessed \$3,225.00 of the forum fees to Morgan Stanley Dean Witter.

FEE SUMMARY

1. Claimants Claudio Herrera and Irene Herrera are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 3,225.00
<u>Total Fees</u>	<u>= \$ 3,725.00</u>
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,025.00
2. Respondent, Morgan Stanley Dean Witter, is solely liable for:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 3,225.00
<u>Total Fees</u>	<u>= \$ 10,825.00</u>
<u>Less payments</u>	<u>= \$ 8,200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,625.00

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

ARBITRATION PANEL

Donald K. Eckhardt, Esq.	-	Public Arbitrator, Presiding Chairperson
William E. Buck, JD	-	Public Arbitrator
Mary Ann Tunick	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Donald K. Eckhardt, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

William E. Buck, JD
Public Arbitrator

Signature Date

Mary Ann Tunick
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution, Inc.
Arbitration No. 01-02886
Award Page 4 of 4

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8/22/02
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Public Arbitrator

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NASD Dispute Resolution, Inc.
R E C E I V E D
AUG 26 2002

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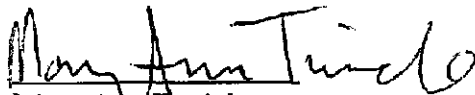
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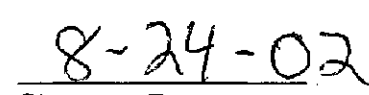
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NASD REGULATION

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