

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimants
Jeffrey and Hussein Gaafary

Case Number: 02-04716

Name of Respondents
Morgan Stanley DW, Inc.
and Dean Livingston Jr.

Hearing Site: Charlotte, NC

REPRESENTATION OF PARTIES

Claimants Jeffrey and Hussein Gaafary, hereinafter referred to as "Claimants", were represented by T.S. Stern, Jr., Esq., Greenville, South Carolina

Respondents, Morgan Stanley DW, Inc. ("Morgan Stanley"), and Dean Livingston Jr. ("Livingston"), hereinafter referred to as "Respondents", were represented by Gary E. Jackson, Esq., Morgan Stanley, New York, New York.

CASE INFORMATION

Statement of Claim filed on August 12, 2002.

Claimants signed the Uniform Submission Agreement on August 6, 2002.

Statement of Answer filed by Respondents on November 27, 2002.

A representative of Respondent Morgan Stanley, signed the Uniform Submission Agreement on November 27, 2002. Respondent Livingston signed the USA on November 27, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; unauthorized trading; breach of fiduciary duty; breach of contract; failure to supervise; and, negligence.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim; ratification; estoppel; failure to mitigate; and, waiver.

RELIEF REQUESTED

Claimant requested the following damages:

| | |
|----------------------|-------------|
| Compensatory Damages | \$1,000,000 |
| Punitive Damages | unspecified |
| Treble Damages | unspecified |
| Interest | unspecified |
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |

Respondents requested that the Claimants' claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Claimants and Respondent Livingston submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungment of all reference to the above captioned arbitration from the registration record of Dean Livingston Jr., as maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Livingston must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungment directive;
2. The parties shall bear their respective costs, including attorneys' fees, except as fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive and treble damages, is denied in its entirety.

FEES

Pursuant to the Codes, 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 = \$500

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed that associated person at the time of the events giving rise to the dispute. Accordingly, Morgan Stanley DW, Inc. is a party.

Member surcharge = \$2800

Pre-hearing process fee = \$750

Fee Summary

1. Claimant is assessed:

Initial Filing Fee = \$500

Total Fees = \$500

Less Payments = \$1700

Refund Due Claimants = \$1200

2. Respondent Morgan Stanley is assessed:

Member Fees = \$3550

Total Fees = \$3550

Less payments = \$3550

Balance Due NASD Dispute Resolution = \$0

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

E

ARBITRATION PANEL

Helen E. Clawson,
Larry Ray Green, Esq.
Linda A. Allen

Public Arbitrator, Chairperson
Public Arbitrator, Panelist
Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Helen E. Clawson
Helen E. Clawson
Public Arbitrator, Panelist

August 3, 2003
Signature Date

Larry Ray Green, Esq
Public Arbitrator, Panelist

Signature Date

Linda A. Allen
Non-Public Arbitrator, Panelist

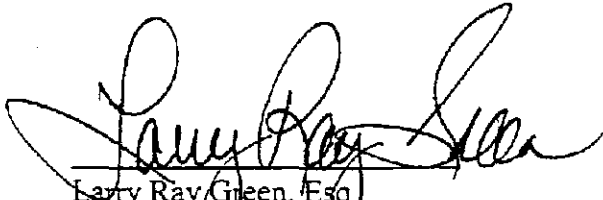
Signature Date

September 16, 2003
Date of Service (For NASD Dispute Resolution office use only)

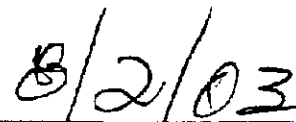
Concurring Arbitrators' Signatures

Helen E. Clawson
Public Arbitrator, Panelist

Signature Date




Larry Ray Green, Esq.
Public Arbitrator, Panelist



Signature Date

Linda A. Allen
Non-Public Arbitrator, Panelist

Signature Date



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

NASD Dispute Resolution
Arbitration No. 02-04716
Award Page 5

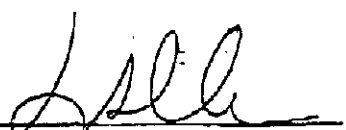
Concurring Arbitrators' Signatures

Helen E. Clawson
Public Arbitrator, Panelist

Signature Date

Larry Ray Green, Esq
Public Arbitrator, Panelist

Signature Date



Linda A. Allen
Non-Public Arbitrator, Panelist

8-1-03

Signature Date

September 16, 2003

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