

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants:

Robert J. Wilson,
Elizabeth M. Wilson,
Jerome A. Kearns,
Heather H. Kearns,
Christopher L. Imler and
Teresa Rene Poole

vs.

Names of Respondents:

Morgan Stanley DW, Inc.,
Jeffrey C. Leo,
Todd E. Lapinson,
Jill Bonigan and
Gina Caracciola

NASD No. 02-05569

Hearing Site: Houston, Texas

NATURE OF CASE

Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimants, Robert Wilson, Elizabeth M. Wilson, Jerome A. Kearns, Heather H. Kearns, Christopher L. Imler and Teresea Renee Poole, hereinafter collectively referred to as "Claimants" were represented by Amy E. Davis, Esq. of Hermes Sargent & Bates, L.L.P., in Dallas, Texas.

Respondents, Morgan Stanley Dean Witter ("MSDW"), Todd E. Lapinson ("Lapinson"), Jill Bobigan ("Bobigan") and Gina Caracciola ("Caracciola"), hereinafter collectively referred to as "Respondents" were represented by Adam Cole, Esq. and Victor H. Sigoura, Esq. of Greenberg Traurig, L.L.P., in New York, New York.

Respondent, Jeffrey C. Leo, ("Leo") was represented by Robert L. Herskovits, Esq., of Bachner & Herskovits, P.C., in New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about September 19, 2002.

The Submission Agreement of Claimants, Robert Wilson, Elizabeth M. Wilson, Jerome A. Kearns, Heather H. Kearns, Christopher L. Imler and Teresea Renee Poole, was signed on or about September 17, 2002.

An Amended Statement of Claim was filed on or about January 23, 2003.

Statement of Answer was filed by Respondents, Morgan Stanley DW, Inc., Todd E. Lapinson, Jill Bobigan and Gina Caracciola, on or about December 4, 2002.

The Submission Agreement of Respondents, Morgan Stanley DW, Inc., Todd E. Lapinson, Jill Bobigan and Gina Caracciola were signed on or about December 4, 2002.

Statement of Answer was filed by Respondent, Jeffrey C. Leo, on or about December 4, 2002.

Respondent, Jeffrey C. Leo, did not execute a Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitable and unauthorized investments and trading, excessive trading and churning, breach of fiduciary duty, fraud, misrepresentation and concealment, violation of the Racketeer Influenced Corrupt Organization Act ("RICO"), invasion of privacy, negligence, vicarious liability, respondeat superior and control person liability, failure to supervise, and unjust enrichment. The causes of action related to the manner in which Claimants' accounts were invested in unspecified securities.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants fail to state a claim upon which relief may be granted, Claimants have, by their conduct, waived and all claims against Respondents, Claimants ratified the transactions in their accounts, Claimants failed to mitigate their damages and all of Claimants' legal claims fail as a matter of law and under the circumstances of the case.

RELIEF REQUESTED

Claimants requested an award of:

Actual/Compensatory	\$5,000,000
Punitive/Exemplary	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Interest	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety, that the panel order the expungement of the claim from the individual Respondents CRD records and other such relief as the panel deems applicable.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Leo did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim is bound by the determination of the arbitration panel on all issues submitted.

Claimants and Respondents have agreed to settle this matter prior to the hearing.

The parties are in agreement that a single arbitrator can execute the Stipulated Award.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrator orders as follows:

- 1.) Claimants' claims, each and all are dismissed with prejudice pursuant to the parties' settlement agreement;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from the individually named Respondents, Todd E. Lapinson's, Jill Bobigan's, Gina Caracciola's and Jeffrey C. Leo's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and

- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$600.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Morgan Stanley DW, Inc.

Member surcharge = \$2800.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$5000.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, 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 Panel x \$1200.00 = \$1200.00
Pre-hearing conference: April 22, 2003 1 session

Total Forum Fees = \$1200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants, Robert Wilson, Elizabeth M. Wilson, Jerome A. Kearns, Heather H. Kearns, Christopher L. Imler and Teresea Renee Poole.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Morgan Stanley DW, Inc., Todd E. Lapinson, Jill Bobigan, Gina Caracciola and Jeffrey Leo.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedures, the NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$ 600 of the Claimant's remaining hearing session deposit is retained.

FEE SUMMARY

Claimants, Robert Wilson, Elizabeth M. Wilson, Jerome A. Kearns, Heather H. Kearns, Christopher L. Imler and Teresea Renee Poole, are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Hearing Session Retained by the NASD	= \$ 600.00
Total Fees	= \$ 1,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Morgan Stanley DW, Inc., is liable for:

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Morgan Stanley DW, Inc., Todd E. Lapinson, Jill Bobigan, Gina Caracciola and Jeffrey Leo, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATOR

Leonard S. Alpert - Public Arbitrator

Arbitrator:

/s/ Leonard S. Alpert
Leonard S. Alpert
Public Arbitrator

June 5, 2004
Signature Date

June 7, 2004
Date of Service (For NASD office use only)

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