

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

R.L. Heinrichs,

Case Number: 02-05702

Claimant,

vs.

Morgan Stanley Dean Witter,
Stuart Bastin,

Hearing Site: Houston, Texas

Respondents.

Nature of Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Claimant R.L. Heinrichs, hereinafter referred to as "Claimant," was represented by John Courtade, Esq. located in Austin, Texas.

Respondents Morgan Stanley Dean Witter and Stuart Bastin, hereinafter referred to as "Respondents," were represented by David Sterling, Esq. and Rebecca L. Robertson, Esq. of Baker Botts located in Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about September 26, 2002.

The Claimant signed the Uniform Submission Agreement on September 10, 2002.

The Joint Statement of Answer was filed on or about November 18, 2002.

Respondents signed the Uniform Submission Agreement on November 12, 2002 and November 14, 2002.

CASE SUMMARY

This claim arose out of the purchase of a Morgan Stanley technology mutual fund. Claimant alleged that the investment at issue was unsuitable given his conservative investment objectives and limited investment experience. Claimant also asserted that Respondents misrepresented the high-risk nature of the investment.

In the Statement of Answer, Respondents contended that the investment at issue was consistent with Claimant's personal and financial circumstances and his objectives, and was properly authorized. Respondents asserted that all appropriate disclosures were made, including the fact

that pursuit of growth and aggressive returns involve a material risk of loss, and all costs and expenses associated with the investment.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

Compensatory Damages:	\$1,000,000.00
Punitive Damages:	Unspecified
Interest:	Unspecified
Attorneys' Fees:	Unspecified
Costs:	Unspecified
Other:	Unspecified

OTHER ISSUES CONSIDERED AND DECIDED

The parties agree that the award in this matter may be executed in counterpart copies or that a handwritten, signed award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc.

AWARD

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

1. The Statement of Claim is hereby dismissed and denied in its entirety with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Stuart Bastin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Stuart Bastin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall each bear their own respective costs, expenses and attorneys' fees; and
4. Any and all relief not specifically addressed herein, including punitive damages, is dismissed and 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	= \$ 375.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Morgan Stanley Dean Witter is a member firm.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200	= \$ 1,200.00
Pre-hearing conference: March 10, 2003 for one (1) session	

One (1) Pre-hearing session with Panel Chair @ \$450	= \$ 450.00
Pre-hearing conference: August 29, 2003 for one (1) session	

Two (2) hearing sessions with Panel @ \$1,200	= \$ 2,400.00
Hearing sessions: October 22, 2003 for two (2) sessions	

Total Forum Fees	= \$ 4,050.00
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1. The Panel has assessed ½ forum fees in the amount of \$2,025.00 to Claimant, R.L. Heinrichs.
2. The Panel has assessed ½ forum fees in the amount of \$2,025.00 to Respondent Morgan Stanley Dean Witter.

Fee Summary

Claimant R.L. Heinrichs is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 2,025.00
Total Fees	= \$ 2,400.00

<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 825.00

Respondent Morgan Stanley Dean Witter is liable for:

Forum Fees	= \$ 2,025.00
<u>Member Fees</u>	= \$ 7,000.00
Total Fees	= \$ 9,025.00
<u>Less payments</u>	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 2,025.00

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

ARBITRATION PANEL

Frank B. Fugate - Public Arbitrator, Presiding Chairperson
Leonard S. Alpert - Public Arbitrator
Jonathan Burke Rada, CFP - Non-Public Arbitrator

Concurring Arbitrators' Signature(s)

/s/ Frank B. Fugate

11/03/03

Frank B. Fugate
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Leonard S. Alpert

11/03/03

Leonard S. Alpert
Public Arbitrator

Signature Date

/s/ Jonathan Burke Rada, CFP

11/03/03

Jonathan Burke Rada, CFP
Non-Public Arbitrator

Signature Date

11/10/2003
Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
Arbitration No. 02-05702
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Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 825.00

Respondent Morgan Stanley Dean Witter is liable for:

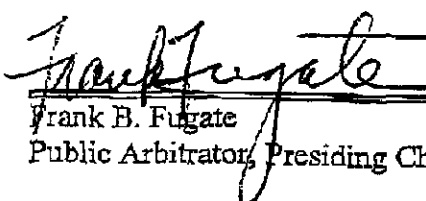
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Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

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Public Arbitrator

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Non-Public Arbitrator

11/03/03

Signature Date

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