
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Robert S. Cuillo

Case Number: 02-06116

Names of the Respondents

Morgan Stanley DW, Inc.

Morgan Stanley Dean Witter & Co. n/k/a Morgan Stanley

Morgan Stanley & Co. Incorporated

Jerry B. Hartman

Herbert Hartman

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Robert S. Cuillo, hereinafter referred to as "Claimant": Oren S. Tasini, Esq., Haile, Shaw & Pfaffenberger, P.A., North Palm Beach, Florida.

For Morgan Stanley DW, Inc. ("MSDW"), Morgan Stanley Dean Witter & Co. n/k/a Morgan Stanley ("MS"), Morgan Stanley & Co. Incorporated ("MS & Co."), Jerry B. Hartman ("J. Hartman") and Herbert Hartman ("H. Hartman"), hereinafter collectively referred to as "Respondents": Joseph C. Coates, III, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: October 14, 2002.

Claimant signed the Uniform Submission Agreement: October 4, 2002.

Statement of Answer filed by Respondents on or about: January 15, 2003.

Respondent J. Hartman signed the Uniform Submission Agreement: December 13, 2002.

Respondents MSDW, MS and MS & Co. signed the Uniform Submission Agreement: January 3, 2003.

Respondent H. Hartman signed the Uniform Submission Agreement: December 13, 2002.

Motion to Submit Additions to Statement of Claim filed by Claimant on or about: May 9, 2003.

Additions to Statement of Claim filed by Claimant on or about: May 9, 2003.

Response to Claimant's Motion to Submit Additions to Statement of Claim filed by Respondents on or about: May 28, 2003.

Reply to Respondents' Response to Claimant's Motion to Submit Additions to Statement of Claim filed by Claimant on or about: June 23, 2003.

Response to Claimant's Additions to Statement of Claim filed by Respondents on or about: August 8, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; breach of contract; gross negligence; negligence; unsuitability; misstatements and omissions; churning; common law fraud; mismanaging of order tickets; violation of NASD Rule 2110; violation of NYSE Rule 401; violation of NASD and NYSE rules by paying underwriting fees to other broker-dealers for research; and, failure to supervise. The causes of action relate to the purchase and sale of unspecified stock options in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$20,000,000.00, punitive damages in the amount of \$60,000,000.00, plus interest, costs and attorney's fees.

Respondents requested that the Panel enter an award in their favor dismissing the claim in its entirety and awarding Respondents their costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 30, 2003, the Panel issued an order granting Claimant's Motion to Submit Additions to the Statement of Claim.

On or about March 15, 2004, Claimant advised NASD Dispute Resolution that this matter had been settled. As such, NASD Dispute Resolution closed the file in this matter. Thereafter, on or about December 10, 2004, the parties filed a Stipulated Motion to Reopen Matter and for Award Directing Expungement. On or about December 28, 2004, the Panel granted the parties' motion.

Subsequent to the settlement of this matter on or about March 15, 2004, the non-public arbitrator withdrew from NASD Dispute Resolution's pool of arbitrators. The parties agreed to proceed with only two public arbitrators on the Panel.

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

AWARD

After considering the pleadings, the Stipulated Motion to Reopen Matter and for Award Directing Expungement and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents J. Hartman and H. Hartman'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, Respondents J. Hartman and H. Hartman must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms Morgan Stanley DW, Inc. and Morgan Stanley & Co. Incorporated are parties. In addition, the member firm Prudential Equity Group, LLC is not a party but it employed the associated persons at the time of the events giving rise to the dispute.

Member surcharge	= \$ 3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Adjournment Fees

Adjournment granted during these proceedings:

March 8-12, 2004, mediation adjournment requested by all parties. No adjournment fees assessed pursuant to Rule 10403(b) of the Code.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$	900.00
Pre-hearing conferences: September 23, 2003	1 session	
December 17, 2003	1 session	

One (1) Pre-hearing session with the Panel @ \$1,200.00	= \$	1,200.00
Pre-hearing conference: May 15, 2003	1 session	
Total Forum Fees	= \$	2,100.00

The Panel has assessed \$1,050.00 of the forum fees to Claimant.

The Panel has assessed \$1,050.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to: additional copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$	600.00
Forum Fees	= \$	1,050.00
Total Fees	= \$	1,650.00
Less payments	= \$	1,650.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent MSDW is solely liable for:

Member Fees	= \$	10,000.00
Total Fees	= \$	10,000.00
Less payments	= \$	10,000.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent MS & Co. is solely liable for:

Member Fees	= \$	10,000.00
Total Fees	= \$	10,000.00
Less payments	= \$	10,000.00
Balance Due NASD Dispute Resolution	= \$	0.00

Non-party Prudential Equity Group, LLC is solely liable for:

<u>Member Fees</u>	= \$ 10,000.00
<u>Total Fees</u>	= \$ 10,000.00
<u>Less payments</u>	= \$ 10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,050.00
<u>Total Fees</u>	= \$ 1,050.00
<u>Less payments</u>	= \$ 1,050.00
Balance Due NASD Dispute Resolution	= \$ 0.00

ARBITRATION PANEL

Barry B. Globerman, Esq.	-	Public Arbitrator, Presiding Chairperson
Peter A. Cartwright, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

/s/

01/12/05

Barry B. Globerman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

01/14/05

Peter A. Cartwright, Esq.
Public Arbitrator

Signature Date

01/19/05

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

<u>Member Fees</u>	= \$ 10,000.00
<u>Total Fees</u>	= \$ 10,000.00
<u>Less payments</u>	= \$ 10,000.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,050.00
<u>Total Fees</u>	= \$ 1,050.00
<u>Less payments</u>	= \$ 1,050.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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Peter A. Cartwright, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

Barry B. Globerman, Esq.
Public Arbitrator, Presiding Chairperson


Peter A. Cartwright, Esq.
Public Arbitrator

Signature Date


Signature Date

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

<u>Member Fees</u>	= \$ 10,000.00
<u>Total Fees</u>	= \$ 10,000.00
<u>Less payments</u>	= \$ 10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

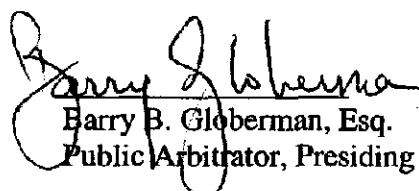
Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,050.00
<u>Total Fees</u>	= \$ 1,050.00
<u>Less payments</u>	= \$ 1,050.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Barry B. Globerman, Esq.	-	Public Arbitrator, Presiding Chairperson
Peter A. Cartwright, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures


Barry B. Globerman, Esq.
Public Arbitrator, Presiding Chairperson

1-12-05
Signature Date

Peter A. Cartwright, Esq.
Public Arbitrator

Signature Date

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