

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jennifer A. Honen (Claimant) v. Morgan Stanley & Co., Inc., Mark L. Edelstone, John Cross,
Louis P. Gerhardy, and Gary Chia (Respondents)

Case Number: 02-07198

Hearing Site: Albany, New York

Nature of the Dispute: Customer v. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimant Jennifer A. Honen ("Honen") hereinafter referred to as "Claimant": Richard E. Honen,
Esq., Honen & Wood, P.C., Albany, NY.

Respondents Morgan Stanley & Co. ("Morgan Stanley"), Mark L. Edelstone ("Edelstone"), John
Cross ("Cross"), Louis P. Gerhardy ("Gerhardy"), and Gary Chia ("Chia") hereinafter
collectively referred to as "Respondents": Timm A. VerDuin, Morgan Stanley & Co., Inc., San
Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: November 22, 2002.

Claimant signed the Uniform Submission Agreement: November 12, 2002.

Joint Statement of Answer filed by Respondents on or about: February 21, 2003.

Respondent Morgan Stanley signed the Uniform Submission Agreement: February 20, 2003.

Respondent Edelstone signed the Uniform Submission Agreement: February 28, 2003.

Respondent Cross signed the Uniform Submission Agreement: March 12, 2003.

Respondent Gerhardy signed the Uniform Submission Agreement: August 21, 2003.

Respondent Chia signed the Uniform Submission Agreement: August 16, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: failure to use due care, negligence,
recklessness, and material misrepresentations. The causes of action relate to shares of NVIDIA
Corporation (NVDA).

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing
set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$15,000.00; treble damages in the amount of \$30,000.00; costs, fees, and attorneys' fees; and such other relief as the Panel deems just and proper.

Respondents requested that the claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 30, 2004, Claimant notified NASD Dispute Resolution that Claimant voluntarily discontinued this proceeding as against the individual Respondents, Edelstone, Cross, Gerhardy, and Chia.

On or about August 9, 2004, Claimant notified NASD Dispute Resolution that the parties settled this matter.

The parties have entered into a Stipulation wherein they agreed:

- To dismiss, with prejudice, all claims asserted against Morgan Stanley DW Inc. and individual Respondents Mark L. Edelstone, Louis P. Gerhardy, John Cross, and Gary Chia;
- Request that the Arbitration Panel issue an order expunging any reference of this matter from Respondent Mark L. Edelstone's Form U-4 on file with the Central Registration Depository.
- Request that the Arbitration Panel issue an order expunging any reference of this matter from Respondent Louis P. Gerhardy's Form U-4 on file with the Central Registration Depository.
- Request that the Arbitration Panel issue an order expunging any reference of this matter from Respondent John Cross' Form U-5 on file with the Central Registration Depository.
- Request that the Arbitration Panel issue an order expunging any reference of this matter from Respondent Gary Chia's Form U-5 on file with the Central Registration Depository.
- Each party shall bear its own costs and attorneys' fees. The NASD shall retain any fees already paid by the parties, subject to either party's right, under the Code, to obtain a complete or partial refund of fees paid.

The parties have agreed 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 remains on file with the NASD Dispute Resolution (the "NASD").

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The Claimant dismisses, with prejudice, all claims asserted against Respondents Morgan Stanley, Edelstone, Gerhardy, Cross, and Chia.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Mark L. Edelstone'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 Edelstone must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Louis P. Gerhardy'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 Gerhardy must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John Cross' 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 Cross must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gary Chia'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 Chia must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
6. Respondent Morgan Stanley shall be assessed all NASD Dispute Resolution fees issued to any party on or subsequent to July 30, 2004.
7. Any and all relief not specifically addressed herein, including treble 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	= \$175.00
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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 persons at the time of the events giving rise to the dispute. In this matter, Morgan Stanley & Co., Inc. is a party.

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$1,000.00
<u>Total Member Fees</u>	<u>= \$2,625.00</u>

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$600.00/session	= \$1,200.00
Pre-hearing conferences:	
September 25, 2003	1 session
March 16, 2004	1 session
<u>Total Forum Fees</u>	<u>= \$1,200.00</u>

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant has been assessed \$600.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Morgan Stanley has been assessed \$600.00 of the forum fees.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 600.00
<u>Total Fees</u>	<u>= \$ 775.00</u>
<u>Less payments</u>	<u>= \$ 975.00</u>
Refund Due Claimant	= \$ 200.00

2. Respondent Morgan Stanley is solely liable for:

Member Fees	= \$2,625.00
Forum Fees	= \$ 600.00
Total Fees	= \$3,225.00
Less payments	= \$3,550.00
Refund Due Respondent Morgan Stanley	= \$ 325.00

All balances are due and payable to NASD Dispute Resolution

NASD Dispute Resolution
Arbitration No. 02-07198
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Parties' Signatures



Jennifer A. Honen
Claimant

8-20-04
Signature Date

Morgan Stanley & Co., Inc.
Respondent

Signature Date

Mark L. Edelstone
Respondent

Signature Date

Louis P. Gerhardy
Respondent

Signature Date

John Cross
Respondent

Signature Date

Gary Chia
Respondent

Signature Date

Parties' Signatures

Jennifer A. Honen
Claimant

Signature Date

by Terence A. Verduin (attorney)
Morgan Stanley & Co., Inc.
Respondent

8/23/04
Signature Date

by Terence A. Verduin (attorney)
Mark L. Edelstone
Respondent

8/23/04
Signature Date

by Terence A. Verduin (attorney)
Louis P. Gerhardy
Respondent

8/23/04
Signature Date

by Terence A. Verduin (attorney)
John Cross
Respondent

8/23/04
Signature Date

by Terence A. Verduin (attorney)
Gary Chia
Respondent

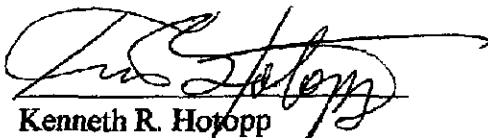
8/23/04
Signature Date

ARBITRATION PANEL

Kenneth R. Hotopp	-	Public Arbitrator, Presiding Chair
Denise D. Carnell	-	Public Arbitrator
Jodie-Beth H. Galos, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.


Kenneth R. Hotopp
Public Arbitrator, Presiding Chair

September 9, 2004
Signature Date

Denise D. Carnell
Public Arbitrator

Signature Date

Jodie-Beth H. Galos, Esq.
Non-Public Arbitrator

Signature Date

September 16, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

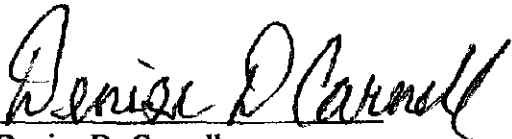
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Public Arbitrator, Presiding Chair

Signature Date


Denise D. Carnell
Public Arbitrator


Signature Date

Jodie-Beth H. Galos, Esq.
Non-Public Arbitrator

Signature Date

September 16, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Kenneth R. Hotopp	-	Public Arbitrator, Presiding Chair
Denise D. Carnell	-	Public Arbitrator
Jodie-Beth H. Galos, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

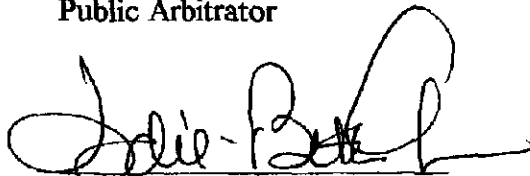
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Kenneth R. Hotopp
Public Arbitrator, Presiding Chair

Signature Date

Denise D. Carnell
Public Arbitrator

Signature Date



Jodie-Beth H. Galos, Esq.
Non-Public Arbitrator

9-4-04
Signature Date

September 16, 2004
Date of Service (For NASD office use only)