



Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

The Ralph and Lois Bolnick Trust, Lois Bolnick, and Bolnick Investments LLC, Claimants v.
Morgan Stanley DW Inc. and Adam A. Anderson, Respondents

Case Number: 02-07885

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Ken Miller, Esq.
Gormann & Miller
Santa Monica, California

For Respondents:

Michael A. Thurman, Esq.
Stradling Yocca Carlson & Rauth
Pasadena, California

CASE INFORMATION

Statement of Claim filed: December 31, 2002

Claimants' Joint Uniform Submission Agreement signed: December 30, 2002

Joint Statement of Answer filed by Respondents: April 4, 2003

Respondent Morgan Stanley DW Inc.'s Uniform Submission Agreement signed:
March 10, 2003

Respondent Adam A. Anderson's Uniform Submission Agreement signed: April 1, 2003

CASE SUMMARY

Claimants alleged unsuitable trading in violation of Section 10(b) and Rule 10b-5, failure to supervise, breach of contract, and breach of fiduciary duty. Claimants' allegations involved transactions in JDS Uniphase, Covad, EMC, Teryon Communication system, Celera Genomics, Gillette, Banc of America, Fedex, and Putnam Tax Exempt Income Fund, and concerned an IRA account.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$1,112,989.00 in compensatory damages.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, that all record of the claim be expunged from the regulatory record of Respondent Adam A. Anderson, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On April 22, 2004, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waivers of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

- 1) Claimants' claims are denied in their entirety.
- 2) Respondent Adam A. Anderson's request for expungement is denied.
- 3) The Parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morgan Stanley DW Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

Adjournment Fees

The following adjournment fees are assessed:

February 9, 10, 11, 2004 adjournment requested by Claimants	= \$ 1,200.00
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The Panel assessed \$1,200.00 of the adjournment fees jointly and severally to Claimants.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: August 5, 2003 1 session	

Nine (9) Hearing sessions @ \$1,200.00/session	= \$ 10,800.00
Hearings: August 24, 2004 2 sessions	
August 25, 2004 3 sessions	
August 26, 2004 2 sessions	
August 27, 2004 2 sessions	

Total Forum Fees	= \$ 12,000.00
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The Panel assessed \$12,000.00 of the forum fees jointly and severally to Respondents Morgan Stanley DW Inc. and Adam A. Anderson.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimants' request for 82 photocopies @ \$.50 per page:	= \$ 41.00
Respondents' request for 128 photocopies @ \$.50 per page:	= \$ 64.00

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,200.00
<u>Administrative Cost</u>	= \$ 41.00
Total Fees	= \$ 1,741.00
<u>Less payments</u>	= \$ (1,700.00)
Balance Due NASD Dispute Resolution	= \$ 41.00

2. Respondent Morgan Stanley DW Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ (8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Morgan Stanley DW Inc. and Adam A. Anderson are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 12,000.00
<u>Administrative Fees</u>	= \$ 64.00
Total Fees	= \$ 12,064.00
<u>Less payments</u>	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 12,064.00

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

ARBITRATION PANEL:

Michael R. Mitchell

- Public Arbitrator, Presiding Chair

Barbara M. Zak, Esq.

- Public Arbitrator

Sharon Clanton, CFP

- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Michael R. Mitchell
Chair, Public Arbitrator

8-31-04

Signature Date

Barbara M. Zak, Esq.
Public Arbitrator

Signature Date

Sharon Clanton, CFP
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Michael R. Mitchell

Barbara M. Zak, Esq.

Sharon Clanton, CFP

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Michael R. Mitchell
Chair, Public Arbitrator

Signature Date

Barbara M. Zak
Barbara M. Zak, Esq.
Public Arbitrator

9-1-04
Signature Date

Sharon Clanton, CFP
Non-Public Arbitrator

Signature Date

9/1/04
Date of Service

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Barbara M. Zak, Esq.	-	Public Arbitrator
Sharon Clanton, CFP	-	Non-Public Arbitrator

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Signature Date

Barbara M. Zak, Esq.
Public Arbitrator

Signature Date



Sharon Clanton, CFP
Non-Public Arbitrator

09/03/04

Signature Date

Date of Service