

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Insaaf Murad Salim

Case Number: 03-00103

Name of the Respondents
Morgan Stanley DW, Inc.,
Merrill Lynch Pierce Fenner & Smith Inc.,
Antoine A. Helou, Erman F. Frazier, III,
Thomas P. McDonnell, III, and Carlos Umpierre

Hearing Site: Washington, DC

Nature of the Dispute: Customer vs. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimant Insaaf Murad Salim, "Claimant", was represented by Patricia E. Tichenor, Esq., Leesburg, Virginia.

Respondents, Morgan Stanley DW, Inc. ("Morgan Stanley"), Stephen G. Harvey ("Harvey"), and Antoine A. Helou ("Helou") were represented by Kathryn S. Gostinger, Esquire, Greenberg Traurig LLP, New York, New York.

Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch"), Erman F. Frazier, III ("Frazier"), Carlos Umpierre ("Umpierre"), and Thomas P. McDonnell, III ("McDonnell") were represented by Jill Del Monico, Esquire, Morgan, Lewis & Bockius LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on January 6, 2003.

Claimant signed the Uniform Submission Agreement on November 16, 2002.

Statement of Amended Claim (adding exhibits 55-57) was filed on April 4, 2003.

Statement of Answer filed by Respondents Morgan Stanley and Harvey on March 26, 2003.

Statement of Amended Answer filed by Respondents Morgan Stanley, Harvey and Helou on March 27, 2003.

Statement of Answer and Motion to dismiss filed by Respondents Merrill Lynch, Umpierre, Frazier, McDonnell, and Helou on March 25, 2003.

Claimant filed a Response to the Motion to Dismiss on April 14, 2003.

A representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on March 21, 2003.

Respondent Harvey signed the Uniform Submission Agreement on March 19, 2003.

A representative of Respondent Morgan Stanley signed the Uniform Submission Agreement on August 6, 2003.

Claimant's Motion to Strike Respondents' Affirmative Defenses filed on July 31, 2003.

Respondents' Merrill Lynch, Frazier, McDonnell, Umpierre and Helou's Response to Motion to Strike Affirmative Defenses filed on September 5, 2003

Respondents' Morgan Stanley, Harvey and Helou's Response to Claimant's Motion to Strike Affirmative Defenses filed on September 5, 2003

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized, excessive and reckless trading; unsuitability; breach of fiduciary duty; fraud and misrepresentation; negligent supervision; negligent hiring; and negligent retention. The causes of action relate to the trading on margin in Claimant's accounts.

Unless specifically admitted in their Answer, Respondents Merrill Lynch, Frazier, McDonnell, Umpierre, and Helou denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted, waiver, ratification, estoppel, assumption of risk, contributory negligence, failure to mitigate damages, failure to use due diligence, statute of limitations, and failure to supervise.

RELIEF REQUESTED

Claimant requested the following damages:

Compensatory Damages	\$600,000.00
Punitive Damages	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondents' requested that the Claimants' Statement of Claim be dismissed with prejudice in its entirety. Respondents requested that they be awarded costs and other further relief as the Arbitration Panel (the "Panel") deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Helou, Frazier, McDonnell, and Umpierre did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and are bound by the determination of the Panel on all issues submitted.

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed parties have amicably resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Harvey's, Frazier's, Umpierre's and McDonnell'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 Harvey, Frazier, Umpierre and McDonnell must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to the code, the following fees are assessed:

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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Respondent Merrill Lynch and Morgan Stanley are parties.

Merrill Lynch Member Fees:

Member Surcharge	= \$	2,250.00
Pre-hearing Process Fee	= \$	750.00
<u>Hearing Process Fee</u>	= \$	<u>4,000.00</u>
Total Member Fees	= \$	7,000.00

Morgan Stanley Member Fees:

Member Surcharge	= \$	2,250.00
Pre-hearing Process Fee	= \$	750.00
<u>Hearing Process Fee</u>	= \$	<u>4,000.00</u>
Total Member Fees	= \$	7,000.00

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 Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: April 22, 2004 1 session	
One Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: February 3, 2004 1 session	
Total Forum Fees	= \$1,650.00

1. The Panel has assessed \$600.00 of the forum fees to Claimant.
2. The Panel has assessed \$600.00 of the forum fees to all Respondents jointly and severally.
3. The Panel has assessed \$450.00 of the forum to Respondent Morgan Stanley.

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$ 1,575.00
Refund Due Claimant	= \$ 600.00
2. Respondent Merrill Lynch is assessed and shall pay the following fees:

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$8,650.00
Balance Due NASD Dispute Resolution	= \$1,650.00
3. Respondent Morgan Stanley is assessed and shall pay the following fees:

Member Fees	= \$7,000.00
Forum Fees	= \$ 450.00
Total Fees	= \$7,450.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 00.00
4. Respondents Morgan Stanley, Helou, Harvey, Frazier, McDonnell, Umpierre, and Merrill Lynch are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 00.00

Balance Due NASD Dispute Resolution	= \$	00.00
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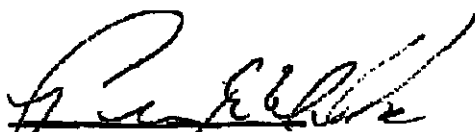
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

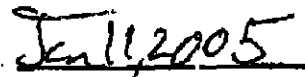
Perry E. Wallace, Jr. Esq. - Public Arbitrator, Presiding Chairperson
Anthony S. Paetro, Esq. - Public Arbitrator, Panelist
William J. Kerns - Non-Public Arbitrator, Panelist

NASD Dispute Resolution
Arbitration No. 03-00103
Simulated Award Page 5

Concurring Arbitrators' Signatures



Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

Anthony S. Pactro, Esq.
Public Arbitrator, Panelist

Signature Date

William J. Kerns
Non-Public Arbitrator, Panelist

Signature Date



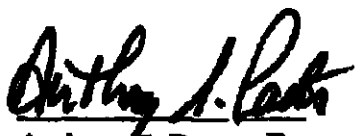
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 03-00103
Stipulated Award page 5

Concurring Arbitrators' Signatures

Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Anthony S. Paetro, Esq.
Public Arbitrator, Panelist



Signature Date

William J. Kerns
Non-Public Arbitrator, Panelist

Signature Date

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

NASD Dispute Resolution

Arbitration No. 03-0103

Solicited Award Page 5

Concurring Arbitrators' Signatures

Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Anthony S. Paetel, Esq.
Public Arbitrator, Panelist

Signature Date

William J. Korn

William J. Korn, Esq.
Non-Public Arbitrator, Panelist

January 10, 2005

Signature Date

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