

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ashley Walls, Claimant v. Mark R. Grimme, Ross P. Parker and Morgan Stanley Dean Witter,
Respondents

Case Number: 03-00139

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Jeff Dennis Ferentz, Esq.
Jeff Dennis Ferentz, Inc.
Newport Beach, California

For Respondents:

Kevin K. Fitzgerald, Esq.
Jones Bell Abbott Fleming &
Fitzgerald, LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 3, 2003

Claimant's Uniform Submission Agreement signed: December 20, 2002

Joint Statement of Answer filed by Respondents: March 21, 2003

Respondent Mark R. Grimme's Uniform Submission Agreement signed: March 10, 2003

Respondent Ross P. Parker's Uniform Submission Agreement signed: March 13, 2003

Respondent Morgan Stanley Dean Witter's Uniform Submission Agreement signed:
March 17, 2003

CASE SUMMARY

In her Statement of Claim, Claimant alleged suitability, unauthorized trading, fraud, misrepresentation, non-disclosure, omission of facts, breach of fiduciary duty, failure to supervise, breach of NASD and New York Securities Exchange Rules involving the purchase of shares in Legato Systems, Inc., Atlas Air, 3Com and numerous technology oriented Unit Investment Trusts.

Respondents denied the allegations of wrongdoing as set forth in the Claimant's Statement of Claim and alleged various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the sum of \$145,870.28, disgorgement of commissions, margin interest and other compensation, unspecified punitive damages, interest and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, expungement of all references to the Statement of Claim and this arbitration from the registration records of Mark R. Grimme and Ross P. Parker maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

On January 25, 2003, Claimant and Claimant's 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.

On February 7, 2003, Respondents Mark R. Grimme, Ross P. Parker and Morgan Stanley Dean Witter's 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.

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) Respondents Mark R. Grimme, Ross P. Parker and Morgan Stanley Dean Witter are jointly and severally liable to and shall pay Claimant Ashley Walls the sum of \$125,000.00 in compensatory damages.
- 2) The claim for punitive damages 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, 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 | = \$ 300.00 |
|--------------------------|-------------|

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 Dean Witter is a party and the following fees are assessed:

| | |
|----------------------------|---------------------|
| Member Surcharge | = \$1,700.00 |
| Pre-Hearing Process Fee | = \$ 750.00 |
| <u>Hearing Process Fee</u> | <u>= \$2,750.00</u> |
| Total Member Fees | = \$5,200.00 |

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 Panel/Chair. The following fees are assessed:

| | |
|---|--------------|
| (1) Pre-hearing conference session with the Panel @ \$1125.00/session | = \$1,125.00 |
| Pre-hearing conference: June 2, 2003 1 session | |

| | |
|---|---------------|
| (6) Hearing sessions @ \$1,125.00/session | = \$ 6,750.00 |
| Hearing: March 2, 2004 2 sessions | |
| March 3, 2004 2 sessions | |
| March 4, 2004 2 sessions | |

| | |
|-------------------------|---------------------|
| Total Forum Fees | = \$7,875.00 |
|-------------------------|---------------------|

1. The Panel assessed \$3,937.50 of the forum fees Claimant Ashley Walls.
2. The Panel assessed \$3,937.50 of the forum fees jointly and severally to Respondents Mark R. Grimme, Ross P. Parker and Morgan Stanley Dean Witter.

Fee Summary

1. Claimant Ashley Walls is charged with the following fees and costs:

| | |
|--|----------------------|
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 3,937.50 |
| Total Fees | = \$ 4,237.50 |
| Less payments | = \$(1,425.00) |
| Balance Due NASD Dispute Resolution | = \$ 2,812.50 |

2. Respondent Morgan Stanley Dean Witter is charged with the following fees and costs:

| | |
|--|------------------|
| Member Fees | = \$ 5,200.00 |
| Less payments | = \$(5,200.00) |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents Mark R. Grimme, Ross P. Parker and Morgan Stanley Dean Witter are charged jointly and severally with the following fees and costs:


| | |
|--|----------------------|
| Forum Fee | = \$3,937.50 |
| Balance Due NASD Dispute Resolution | = \$ 3,937.50 |

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

| | | |
|----------------------------|---|------------------------------------|
| Harry Miller | - | Public Arbitrator, Presiding Chair |
| Michael Leymon Coffey, MPH | - | Public Arbitrator |
| Stephen Brixey, Jr. | - | Non-Public Arbitrator |

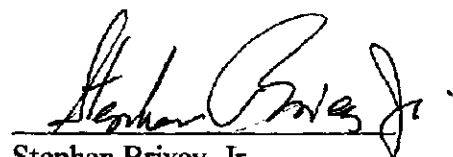
Concurring Arbitrators' Signatures


Harry Miller
Chair, Public Arbitrator

3-4-2004
Signature Date


Michael Leymon Coffey, MPH
Public Arbitrator

03-04-04
Signature Date


Stephen Brixey, Jr.
Non-Public Arbitrator

03-04-04
Signature Date

03-04-04
Date of Service