

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 03-00533

Barbara Lorraine Bedford

Name of the Respondents

Hearing Site: Richmond, Virginia

Morgan Stanley DW Inc., Gardner
D. Fields, and Anthony P. Jones

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

REPRESENTATION OF PARTIES

Claimant, Barbara Lorraine Bedford, hereinafter referred to as "Claimant", was represented by Michael P. Falzone and Charles E. Marr, Hirschler Fleischer, P.C., Richmond, Virginia.

Respondents, Morgan Stanley DW Inc. ("Morgan Stanley"), Gardner D. Fields ("Fields"), and Anthony P. Jones ("Jones"), hereinafter collectively referred to as "Respondents", were represented by John H. West, III, Esq. and James West, Esq., West & Moore, L.L.C., Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on January 22, 2003.

Claimant signed the Uniform Submission Agreement on February 3, 2003.

Statement of Answer filed by Respondents on April 11, 2003.

A representative of Respondent Morgan Stanley executed the Uniform Submission Agreement on April 11, 2003.

Respondents Fields and Jones did not file Uniform Submission Agreement with NASD Dispute Resolution.

Respondents' Motion for Consent to Amend Answer and Affirmative Defenses was filed on January 22, 2004.

Claimant's Objection To Respondents' Motion for Consent to Amend Answer and Affirmative Defenses was filed on February 11, 2004.

Respondents' Reply in Support of Motion for Consent to Amend Answer and Affirmative Defenses was filed on February 17, 2004.

Claimant's Motion for Sanctions was filed on April 8, 2004.

Respondents' Response to Claimant's Motion for Sanctions was filed on April 16, 2004.

Claimant's Reply Memorandum in Support of Motion for Sanctions was filed on April 27, 2004.

CASE SUMMARY

Claimant asserted the following causes of action, among others: misrepresentations, unsuitability, unauthorized transactions, failure to disclose, fraud, failure to supervise, breach of fiduciary duty, conversion, and violations of federal and state securities laws. The causes of action relate to investments in managed equity portfolios.

Unless specifically admitted in their Answer as amended, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, all duties owed were preformed, assumption of risk, authorization, failure to mitigate, Respondents did not owe Claimant a fiduciary duty, and claims are barred by the limitations of liability clause in the parties' Client Service Agreement.

RELIEF REQUESTED

Claimant in her Statement of Claim requested:

Compensatory Damages	\$475,000.00
Punitive Damages	\$350,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that the Panel dismiss the Statement of Claim, grant Respondents the costs and expenses of this arbitration, and grant Respondents such other relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Jones and Fields 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, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

By Order dated February 25, 2004, the Panel granted Respondents' Motion to Amend Answer and Affirmative Defenses.

During Closing Argument, counsel for Respondent Fields requested that Respondent Fields' CRD records be expunged.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues

submitted for determination as follows:

1. Respondents Morgan Stanley and Jones are jointly and severally liable to and shall pay to Claimant compensatory damages of \$250,000.00;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Fields 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 Fields' must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All claims for attorneys' fees are denied in their entirety;
4. All claims for discovery sanctions are denied in their entirety;
5. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
6. 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:

Filing Fees

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

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 person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Morgan Stanley is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00
Total Member Fees	= \$ 7,000.00

Forum Fees and Assessments

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 (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: November 5, 2003 1 session

Twelve (12) Hearing sessions @ \$1,200.00 = \$12,000.00

Hearing Dates: April 6, 2004 2 sessions
April 7, 2004 2 sessions
April 8, 2004 2 sessions
April 9, 2004 2 sessions
May 12, 2004 2 sessions

Total Forum Fees = \$13,200.00

1. The Panel has assessed \$4,400.00 of the forum fees to Claimant.
2. The Panel has assessed \$4,400.00 of the forum fees to Respondent Morgan Stanley.
3. The Panel has assessed \$4,400.00 of the forum fees to Respondent Jones.

FEE SUMMARY

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

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 4,400.00
Total Fees	= \$ 4,775.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 3,200.00

2. Respondent Morgan Stanley is assessed and shall pay the following fees:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 4,400.00
Total Fees	= \$11,400.00
Less payments	= \$ 9,500.00
Balance Due NASD Dispute Resolution	= \$ 1,900.00

3. Respondent Jones is assessed and shall pay the following fees:

Forum Fees	= \$ 4,400.00
Total Fees	= \$ 0.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 4,400.00

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

ARBITRATION PANEL

Edward A. Dragon, Esq.	-	Public Arbitrator, Presiding Chairperson
Arthur B. O'Connell	-	Public Arbitrator, Panelist
John H. Muldowney	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Edward A. Dragon

Edward A. Dragon, Esq.
Public Arbitrator, Presiding Chairperson

June 29, 2004
Signature Date

Arthur B. O'Connell
Public Arbitrator, Panelist

Signature Date

John H. Muldowney
Non-Public Arbitrator, Panelist

Signature Date

July 7, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Edward A. Dragon, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Arthur B. O'Connell

Arthur B. O'Connell
Public Arbitrator, Panelist

June 30, 2004
Signature Date

John H. Muldowney
Non-Public Arbitrator, Panelist

Signature Date

July 7, 2004
Date of Service (For NASD Dispute Resolution office use only)

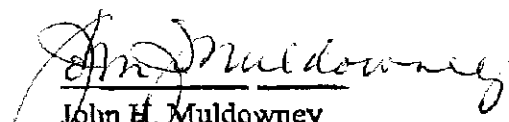
Concurring Arbitrators' Signatures

Edward A. Dragon, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Arthur B. O'Connell
Public Arbitrator, Panelist

Signature Date


John H. Muldowney
Non-Public Arbitrator, Panelist

6/30/04
Signature Date

July 7, 2004
Date of Service (For NASD Dispute Resolution office use only)