
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-01331

Joy L. Beaton

Beaton and Company International

Names of the Respondents

Hearing Site: Tampa, Florida

Morgan Stanley DW, Inc.

T. Michael Pentecost

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

REPRESENTATION OF PARTIES

For Joy L. Beaton and Beaton and Company International, hereinafter collectively referred to as "Claimants":
James Richard Hooper, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Morgan Stanley DW, Inc. ("MSDW") and T. Michael Pentecost ("Pentecost"), hereinafter collectively referred to as "Respondents": Allison Doneghey, Esq., Morgan Stanley DW, Inc., Sarasota, Florida and Jon A. Jacobson, Esq., Greenberg Traurig, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 24, 2003.

Claimants signed the Uniform Submission Agreement: February 10, 2003.

Statement of Answer filed by Respondents on or about: April 24, 2004.

Respondent MSDW signed the Uniform Submission Agreement: April 23, 2004.

Respondent Pentecost signed the Uniform Submission Agreement: April 28, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; breach of contract; breach of fiduciary duty including the duties of care, loyalty, full disclosure, fair dealings and good faith; violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; common law fraud; violation of applicable rules of the New York Stock Exchange ("NYSE") and NASD including, but not limited to, NYSE Rules 401 and 405, and NASD Conduct Rules 2110, 2120, 2210, 2310 and 3010; failure to supervise; and, respondeat superior. The causes of action relate to the purchase and sale of unspecified mutual funds and technology stocks in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested compensatory damages of \$145,995.32; disgorgement of all commissions, fees and other charges paid by Claimants to Respondents; interest; punitive damages in the amount of \$291,990.64; attorneys' fees, costs and expenses; and, such other and further relief as the Panel deemed just and proper.

Respondents requested that all claims asserted by Claimants be denied in their entirety and that the Respondents be awarded all costs and attorneys' fees. Respondent Pentecost further requested that the Panel expunge all references to this matter from his NASD Central Registration Depository ("CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 2, 2004, Respondents filed with NASD an Unopposed Motion for Stipulated Award Directing Expungement. On July 22, 2004, the Panel issued an Order granting Respondents' Motion for Stipulated Award Directing Expungement.

AWARD

After considering the pleadings and the Unopposed Motion for Stipulated Award Directing Expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All claims asserted against Respondents are dismissed, with prejudice.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Pentecost's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Pentecost must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 300.00
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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 person at the time of the events giving rise to the dispute. Accordingly, Respondent MSDW is a member firm and a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 10-12, 2004, adjournment requested by Respondents.	= \$1,125.00
<u>April 28-30, 2004, adjournment requested by Claimants.</u>	<u>= \$1,125.00</u>
	= \$2,250.00

The Panel assessed the February 10-12, 2004 adjournment fee of \$1,125.00 to Respondents, jointly and severally.

The Panel waived the April 28-30, 2004 adjournment fees of \$1,125.00.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: January 8, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: October 8, 2003 1 session	

Total Forum Fees	= \$1,575.00
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The Panel assessed forum fees of \$1,012.50 to Claimants, jointly and severally.

The Panel assessed forum fees of \$562.50 to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,012.50
<u>Total Fees</u>	<u>= \$1,312.50</u>
<u>Less payments</u>	<u>= \$1,312.50</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent MSDW is solely liable for:

Member Fees	= \$5,200.00
<u>Total Fees</u>	<u>= \$5,200.00</u>
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Adjournment Fee	= \$1,125.00
<u>Total Fees</u>	<u>= \$1,687.50</u>
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,687.50

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

ARBITRATION PANEL

Thomas J. Patka, Esq.	-	Public Arbitrator, Presiding Chairperson
Elwin Lawrence Saviet	-	Public Arbitrator
Neal J. Tourdo	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Thomas J. Patka, Esq.
Public Arbitrator, Presiding Chairperson

September 9, 2004
Signature Date

/s/
Elwin Lawrence Saviet
Public Arbitrator

August 27, 2004
Signature Date

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/s/
Neal J. Tourdo
Non-Public Arbitrator

August 27, 2004
Signature Date

September 15, 2004
Date of Service (For NASD Dispute Resolution office use only)

Fee Summary

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Elwin Lawrence Saviet	-	Public Arbitrator
Neal J. Tourdo	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Thomas J. Patka, Esq.
Public Arbitrator, Presiding Chairperson

9/9/04
Signature Date

Elwin Lawrence Saviet
Public Arbitrator

Signature Date



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Elwin Lawrence Saviet	-	Public Arbitrator
Neal J. Tourdo	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas J. Patka, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Elwin Lawrence Saviet
Elwin Lawrence Saviet
Public Arbitrator

August 27 2004
Signature Date

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Neal J. Tourdo
Non-Public Arbitrator

Signature Date 8/27/01

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