

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-01404

Michael R. Deutschman, Michael R. Deutschman IRA
Lynn S. Deutschman, Lynn S. Deutschman IRA
Lynn S. Deutschman, cust. for Emily Deutschman, UGMA
Lynn S. Deutschman, cust. for Christopher Deutschman, UGMA
Max Basen Irrevocable Trust f.b.o. Barry H. Deutschman
Max Basen Irrevocable Trust f.b.o. Michael Deutschman

Names of the Respondents

Hearing Site: Baltimore, MD

Arthur Wasserman
Morgan Stanley Dean Witter

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

REPRESENTATION OF PARTIES

Claimants, Michael R. Deutschman, Lynn S. Deutschman, Lynn S. Deutschman as custodian for Christopher Deutschman, UGMA and as custodian for Emily Deutschman, UGMA, Max Basen Irrevocable Trust f.b.o. Barry H. Deutschman, and Max Basen Irrevocable Trust f.b.o. Michael R. Deutschman, hereinafter collectively referred to as "Claimants", were represented by Nathan D. Adler, Esq., Neuberger, Quinn, Geilen, Rubin & Gibber, P.A., Baltimore, Maryland.

Respondents, Morgan Stanley Dean Witter ("Morgan Stanley") and Arthur Wasserman ("Wasserman"), hereinafter collectively referred to as "Respondents", were represented by Thomas C. Costello, Esq., West & Costello, LLC, Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on February 10, 2003.

Claimant Michael R. Deutschman signed the Uniform Submission Agreement individually and as Trustee for the Max Basen Irrevocable Trust f.b.o. Barry H. Deutschman on December 1, 2002. Claimant Lynn S. Deutschman signed the Uniform Submission Agreement individually and as custodian for Emily Deutschman UGMA and Christopher Deutschman UGMA on December 1, 2002.

Barry H. Deutschman signed the Uniform Submission Agreement as Trustee for the Max Basen Irrevocable Trust f.b.o. Michael R. Deutschman on December 1, 2002.

Claimants filed a Reply to Respondents' Statement of Answer on August 26, 2003.

Statement of Answer filed by Respondents on June 20, 2003.

Respondent Wasserman signed the Uniform Submission Agreement on August 28, 2003.

Respondent Morgan Stanley did not file a Uniform Submission Agreement.

Respondent filed an Amended Statement of Answer on May 14, 2004.

CASE SUMMARY

Claimants asserted the following causes of action, among others: unsuitability, breach of fiduciary duty, breach of contract, and negligence. The causes of action relate to the purchase and sale of various individual securities, mutual funds and managed money programs focused on the technology and telecommunications sectors.

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

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	amount unspecified
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer and Amended Statement of Answer requested that the Statement of Claim be denied in its entirety, that the Arbitration Panel (the "Panel") issue an order directing that all references to this proceeding and the underlying complaint be expunged from the records of Respondent Wasserman maintained by the NASD Central Registration Depository ("CRD"), and that the cost of this proceeding be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Morgan Stanley did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

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

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing, and upon motion of all parties for entry of such an award, the written stipulation thereto, the Panel hereby grants the motion and enters this Stipulated Award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between all parties, all claims against Respondents Morgan Stanley and Wasserman are dismissed with prejudice;

2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Wasserman'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, Respondent Wasserman must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All claims for punitive damages and attorneys' fees are denied in their entirety;
4. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein 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 = \$ 250.00

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, Morgan Stanley is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00
Total Member Fees	= \$4,450.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

August 25-27, 2004 adjournment requested by Respondents	fee waived
January 17-19, 2005 adjournment requested by Claimants	= \$1,000.00
February 15-17, 2005 adjournment requested by all parties	fee waived

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

April 18-20, 2005 settled by all parties	= \$ 300.00
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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 @ \$1,000.00	= \$1,000.00
<u>Pre-hearing conference: January 20, 2004 1 session</u>	
Total Forum Fees	= \$1,000.00

1. The Panel has assessed \$500.00 of the forum fees to Claimants.
2. The Panel has assessed \$250.00 of the forum fees to Respondent Wasserman.
3. The Panel has assessed \$250.00 of the forum fees to Respondent Morgan Stanley.

FEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$1,000.00
Forum Fees	= \$ 500.00
<u>3-Day Cancellation Fee</u>	<u>= \$ 225.00</u>
Total Fees	= \$1,975.00
<u>Less payments</u>	<u>= \$2,700.00</u>
Refund Due Claimants	= \$ 725.00
2. Respondent Morgan Stanley is assessed and shall pay the following fees:

Member Fees	= \$4,450.00
3-Day Cancellation Fee	= \$ 37.50
<u>Forum Fees</u>	<u>= \$ 250.00</u>
Total Fees	= \$4,737.50
<u>Less payments</u>	<u>= \$9,550.00</u>
Balance Returned to CRD account	= \$4,812.50
4. Respondent Wasserman is assessed and shall pay the following fees:

Forum Fees	= \$ 250.00
<u>3-Day Cancellation Fee</u>	<u>= \$ 37.50</u>
Total Fees	= \$ 287.50
<u>Less payments</u>	<u>= \$ 00.00</u>
Balance Due NASD Dispute Resolution	= \$ 287.50

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

ARBITRATION PANEL

Kenneth F. Baer, CPA
Paul A. Yates
Bonnie K. Wachtel, Esq.

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Kenneth F. Baer, CPA
Public Arbitrator, Presiding Chairperson

7/21/05

Signature Date

Paul A. Yates
Public Arbitrator, Panelist

Signature Date

Bonnie K. Wachtel, Esq
Non-Public Arbitrator, Panelist

Signature Date

8/2/05

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

ARBITRATION PANEL

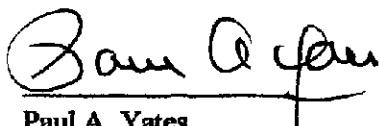
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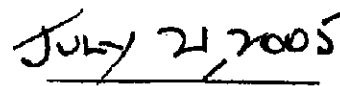
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Signature Date



Paul A. Yates
Public Arbitrator, Panelist



Signature Date

Bonnie K. Wachtel, Esq
Non-Public Arbitrator, Panelist

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