

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Morgan Stanley DW, Inc.

and

Case Number: 03-01457
Hearing Site: Houston, Texas

Names of Respondents

Stephen J. Barth, and
June E. Barth

NATURE OF CASE

Member Firm v. Customers

REPRESENTATION OF PARTIES

Morgan Stanley DW Inc. ("**Claimant**") was represented by Kevin K. Fitzgerald, Esq. and Brian G. Mulherin, Esq. of Jones, Bell, Abbott, Fleming & Fitzgerald L.L.P., in Los Angeles, California.

Stephen J. Barth and June E. Barth ("**Respondents**") were represented by Robert W. James, Esq., in Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about February 27, 2003.

The Submission Agreement of Claimant, Morgan Stanley DW, Inc., was signed on or about February 26, 2003.

No Statement of Answer was filed by the Respondents.

No Submission Agreement was filed by the Respondents

CASE SUMMARY

Claimants asserted the following causes of action: breach of the covenant of good faith and fair dealing; money had and received; money lent; fraud and misappropriation; and negligence. The causes of action relate to the alleged inadvertent deposit of US \$89,772 into the joint account of Respondents on or about January 9, 2001, which was actually the property of another customer of Claimant. On or about December 5, 2002, Claimant discovered the error and restored the funds to their proper owner, with interest. Claimant then sought to recover from Respondents the current value of the funds transferred to them.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory	\$96,419.76
Punitive/Exemplary	Unspecified
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

OTHER ISSUES CONSIDERED & DECIDED

Respondents did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") Respondents having signed an agreement with Claimant to arbitrate any dispute before the NASD.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the parties' submissions and representations, and the parties' settlement agreement, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Pursuant to the settlement agreement, the Barths shall pay to Morgan Stanley DW Inc. (Morgan Stanley) the principal sum of \$100,547.06 as of April 1, 2004 plus interest, such amount to be paid in accordance with the schedule attached hereto as Exhibit A. At their election, the Barths may repay the entire remaining balance due under that schedule without penalty. If, however, the Barths fail to make any payment in accordance with the schedule, then the entire outstanding Balance shall immediately become due and owing, and may be collected by Morgan Stanley. All payments by the Barths shall be made payable to the "Jones Bell Attorney-client Trust Account fbo Morgan Stanley", and shall be delivered on the date due to Kevin K. Fitzgerald, Esq. of Jones, Bell, Abbott, Fleming & Fitzgerald L.L.P., 601 South Figueroa Street, 27th Floor, Los Angeles, California 90017-5759;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated is hereby denied with prejudice.

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 = \$1,000.00

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. In this matter, the member firm is Morgan Stanley DW, Inc.

Member surcharge = \$1,100.00

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,750.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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 Panel x \$750.00	= \$750.00
Pre-hearing conference: September 8, 2003 1 session	
Total Forum Fees	= \$750.00

The Arbitration Panel has assessed \$375.00 of the forum fees to Morgan Stanley DW, Inc.

The Arbitration Panel has assessed \$375.00 of the forum fees jointly and severally to Respondents, Stephen and June Barth.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedure, as NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$ 375 of the Claimant's remaining hearing session deposit is retained.

FEE SUMMARY

Claimant, Morgan Stanley DW, Inc., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
Forum Fees	= \$ 375.00
Hearing Session Deposit Retained	= \$ 375.00
Total Fees	= \$ 5,300.00
Less payments	= \$ 5,300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Stephen and June Barth, are jointly and severally liable for:

Forum Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 375.00

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

ARBITRATION PANEL

William S. Hopkins - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

/s/ William S. Hopkins
William S. Hopkins
Public Arbitrator, Presiding Chair

June 9, 2004
Signature Date

/s/ Lynne M. Gomez, Esq.
Lynne M. Gomez, Esq.
Public Arbitrator

June 10, 2004
Signature Date

/s/ Thomas W. Taylor
Thomas W. Taylor
Non-Public Arbitrator

June 21, 2004
Signature Date

June 21, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

William S. Hopkins - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:


William S. Hopkins
Public Arbitrator, Presiding Chair

 4/9/04
Signature Date

Lynne M. Gomez, Esq.
Public Arbitrator

Signature Date

Thomas W. Taylor
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

William S. Hopkins - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

William S. Hopkins
Public Arbitrator, Presiding Chair



Lynne M. Gomez, Esq.
Public Arbitrator

Thomas W. Taylor
Non-Public Arbitrator

Signature Date

6-10-04

Signature Date

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

William S. Hopkins - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

William S. Hopkins
Public Arbitrator, Presiding Chair

Signature Date

Lynne M. Gomez, Esq.
Public Arbitrator

Signature Date



Thomas W. Taylor
Non-Public Arbitrator

6-21-2004
Signature Date

Date of Service (For NASD office use only)

EXHIBIT A

DATE	INTEREST	PRINCIPAL	BALANCE
4/1/2004		\$5,000	\$100,547.06
5/1/2004	\$407.50	\$1,844.75	95,954.56
6/1/2004	399.81	1,852.44	94,102.12
7/1/2004	392.09	1,860.16	92,241.97
8/1/2004	384.34	1,867.91	90,374.06
9/1/2004	376.56	1,875.69	88,498.37
10/1/2004	368.74	1,883.51	86,614.86
11/1/2004	360.90	1,891.35	84,723.51
12/1/2004	353.01	1,899.23	82,824.27
1/1/2005	345.10	1,907.15	80,917.13
2/1/2005	337.15	1,915.09	79,002.03
3/1/2005	329.18	1,923.07	77,078.96
4/1/2005	321.16	1,931.09	75,147.87
5/1/2005	313.12	1,939.13	73,208.74
6/1/2005	305.04	1,947.21	71,261.53
7/1/2005	296.92	1,955.33	69,306.20
8/1/2005	288.78	1,963.47	67,342.73
9/1/2005	280.59	1,971.65	65,371.07
10/1/2005	272.38	1,979.87	63,391.20
11/1/2005	264.13	1,988.12	61,403.08
12/1/2005	255.85	1,996.40	59,406.68
1/1/2006	247.53	2,004.72	57,401.96
2/1/2006	239.17	2,013.07	55,388.88
3/1/2006	230.79	2,021.46	53,367.42

DATE	INTEREST	PRINCIPAL	BALANCE
4/1/2006	222.36	2,029.88	51,337.54
5/1/2006	213.91	2,038.34	49,299.19
6/1/2006	205.41	2,046.84	47,252.36
7/1/2006	196.88	2,055.36	45,196.99
8/1/2006	188.32	2,063.93	43,133.07
9/1/2006	179.72	2,072.53	41,060.54
10/1/2006	171.09	2,081.16	38,979.37
11/1/2006	162.41	2,089.84	36,889.54
12/1/2006	153.71	2,098.54	34,791.00
1/1/2007	144.96	2,107.29	32,683.71
2/1/2007	136.18	2,116.07	30,567.64
3/1/2007	127.37	2,124.88	28,442.76
4/1/2007	118.51	2,133.74	26,309.02
5/1/2007	109.62	2,142.63	24,166.39
6/1/2007	100.69	2,151.56	22,014.84
7/1/2007	91.73	2,160.52	19,854.32
8/1/2007	82.73	2,169.52	17,684.79
9/1/2007	73.69	2,178.56	15,506.23
10/1/2007	64.61	2,187.64	13,318.59
11/1/2007	55.49	2,196.75	11,121.84
12/1/2007	46.34	2,205.91	8,915.93
1/1/2008	37.15	2,215.10	6,700.83
2/1/2008	27.92	2,224.33	4,476.50
3/1/2008	18.65	2,233.60	2,242.90
4/1/2008	9.35	2,242.90	0