

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Theocharis and Demetra Nicolaou (Claimant) v. Morgan Stanley DW, Inc. and Armodios Papagianakis (Respondents)

Case Number: 03-01549

Hearing Site: New York, NY

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

REPRESENTATION OF PARTIES

Claimants Theocharis and Demetra Nicolaou ("The Nicolaous") hereinafter collectively referred to as "Claimants": Robert Kantas, Esq., Sheperd, Smith & Bebel, L.L.P., Houston, TX.

Respondents Morgan Stanley DW, Inc. ("Morgan Stanley") and Armodios Papagianakis ("Papagianakis") hereinafter collectively referred to as "Respondents": Ralph DeSena, Esq., Morgan Stanley Law Division, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2003.

Claimants each signed the Uniform Submission Agreement: September 9, 2002.

Joint Statement of Answer filed by Respondents on or about: May 9, 2003.

Respondent Morgan Stanley signed the Uniform Submission Agreement: May 9, 2003.

Respondent Papagianakis did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract and warranties, promissory estoppel; violation of New York consumer protection and deceptive trade practices laws; violation of Section 10(b) and Rule 10b-5; violation of the New York Securities Act; violation of New York fraud statutes; intentional and negligent misrepresentations; unjust enrichment; breach of fiduciary duty; negligence and gross negligence; respondeat superior. Claimants' claim involved unspecified common stock.

Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim; fulfillment of duties; recommendation of suitable investments; ratification; lack of negligence; lack of misrepresentation; lack of causation; failure to mitigate damages; estoppel and ratification; punitive damages are unavailable; lack of fiduciary duty; statute of limitations; and failure to plead fraud with particularity.

RELIEF REQUESTED

Claimants requested the following damages:

Compensatory Damages	\$100,000 to \$500,000
Punitive Damages	not specified
Interest	not specified
Attorneys' Fees	not specified
Other Costs	not specified
Other Monetary/Non-Monetary Relief if any:	not specified

Respondents requested that the Panel dismiss the Statement of Claim in its entirety, with prejudice; award Respondents the costs and expense of this arbitration; and grant Respondents such other relief as the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Papagianakis did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement 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.

Prior to the hearing, the parties fully and finally settled all claims by and between them. Claimants' counsel hereby represents that certain evidence was discovered over the course of this arbitration that led him to believe that Mr. Papagianakis was not responsible for the losses sustained in Claimant's account. Therefore, the parties submit this Stipulated Award to the Panel, requesting that Mr. Papagianakis' CRD be expunged and all claims be dismissed with prejudice.

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.

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 both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between the parties, all claims against the Respondents Morgan Stanley DW, Inc. and Armodios Papagianakis are dismissed with prejudice.
2. This arbitration was filed prior to April 12, 2004. Therefore, current NASD Rule 2310(c) (adopted by SR-NASD-2002-168, as amended by SR-NASD-2003-200) is not applicable. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Papagianakis' 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 Papagianakis must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. The parties shall bear their respective costs, including attorney's fees. All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.
4. 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, Inc. 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. In this matter, Morgan Stanley DW, Inc. is a party.

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Forum Fees and Assessments

The 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$2,250.00
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Pre-hearing conferences:	September 5, 2003	1 session
	February 5, 2004	1 session

Total Forum Fees	= \$2,250.00
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1. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$1,425.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Morgan Stanley is solely liable for:

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

3. Respondents are jointly and severally liable for:

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

All balances are due and payable to NASD Dispute Resolution

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4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

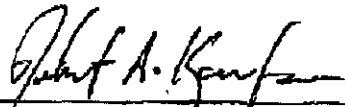
FEES


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

ARBITRATION PANEL

Joan M. Traub, Esq.	-	Public Arbitrator, Presiding Chairperson
Bertrand M. Lanchner, Esq.	-	Public Arbitrator, Panelist
Gregg Richard Fishman, Esq.	-	Non-Public Arbitrator, Panelist

WE ASK FOR THIS:

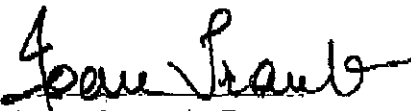

Robert A. Kantas (VSB 41600)
Shepherd, Smith & Edwards, LLP
1314 Texas Avenue, 21st Floor
Houston, TX 77002
Counsel for the Claimants


Ralph DeSena, Esq.
Morgan Stanley DW Inc.
1221 Avenue of the Americas
New York, NY 10020
Counsel for the Respondents

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Bertrand M. Lanchner, Esq.	-	Public Arbitrator
Gregg Richard Fishman, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Joan M. Traub, Esq.
Public Arbitrator, Presiding Chairperson

06/10/04

Signature Date

Bertrand M. Lanchner, Esq.
Public Arbitrator, Panelist

Signature Date

Gregg Richard Fishman, Esq.
Non-Public Arbitrator, Panelist

Signature Date

June 15, 2004

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

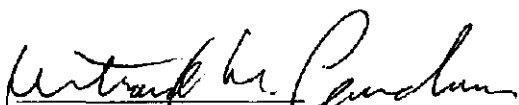
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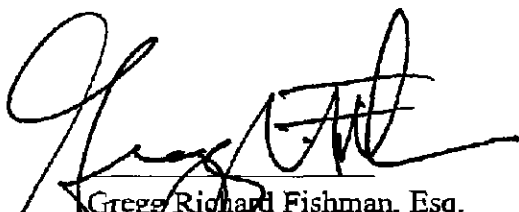
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