

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Ronald W. Paulinelli

Case Number: 03-01809

Name of the Respondent
Morgan Stanley Dean Witter

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Ronald W. Paulinelli, hereinafter referred to as "Claimant": Charles L. Gregory, Esq. and Elizabeth J. McBath, Esq., Arnall Golden Gregory LLP, Atlanta, Georgia.

For Morgan Stanley Dean Witter, hereinafter referred to as "Respondent": Jason M. Fedo, Esq. Greenberg Traurig, West Palm Beach, Florida and Thomas Keane, Esq., Morgan Stanley Law Division, Morgan Stanley, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: March 12, 2003.

Claimant signed the Uniform Submission Agreement: February 22, 2003.

Statement of Answer filed by Respondent on or about: July 8, 2003.

Respondent did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; overconcentration/failure to diversify; fraud; breach of fiduciary duty; negligence; breach of contract; and, respondeat superior liability. The causes of action relate to investments in Morgan Stanley Dean Witter High Yield B Fund and Morgan Stanley Dean Witter High Yield Bond Fund C in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in excess of \$279,376.97; punitive damages; reasonable attorneys' fees; the costs associated with bringing this arbitration claim; and, such other relief as the Panel deemed just, equitable, and appropriate under the circumstances.

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

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is 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, is bound by the determination of the Panel on all issues submitted.

On or about November 13, 2003, the arbitration panel issued an order which assessed a monetary sanction to Respondent of \$1,000.00, payable to NASD, based upon Respondent's disregard of the discovery process. Said sum was paid to NASD on or about December 1, 2003.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of \$69,723.00, pre-judgment interest specifically excluded.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

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	= \$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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments for which fees were assessed were granted in this matter.

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 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 Pre-hearing session with a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: January 19, 2004 1 session	
Two Pre-hearing sessions with the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: September 2, 2003 1 session	
November 13, 2003 1 session	
Seven Hearing sessions @ \$1,125.00	= \$7,875.00
Hearing Dates: April 13, 2004 3 sessions	
April 14, 2004 3 sessions	
April 15, 2004 1 session	
Total Forum Fees	= \$10,575.00

The Panel has assessed the total forum fees \$10,575.00 to Respondent.

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 are 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

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
Total Fees	= \$300.00
Less payments	= \$300.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondent is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$10,575.00

Total Fees	= \$15,775.00
Less payments	= \$5,200.00

Balance Due NASD Dispute Resolution	= \$10,575.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas C. Harris	-	Public Arbitrator, Presiding Chair
Susan Kerr Lee, J.D.	-	Public Arbitrator
Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Thomas C. Harris
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Susan Kerr Lee, J.D.
Public Arbitrator

Signature Date

_____/S/_____
Perry Lee Taylor, Jr., Esq.
Non-Public Arbitrator

Signature Date

April 28, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Arbitration No. 03-01809
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FL ARBITRATION

Balance Due NASD Dispute Resolution = \$0.00

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Total Fees = \$15,775.00
Less payments = \$5,200.00

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ARBITRATION PANEL

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Susan Kerr Lee, J.D.	-	Public Arbitrator
Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas C. Harris
Public Arbitrator, Presiding Chair

April 22, 2004
Signature Date

Susan Kerr Lee, J.D.
Public Arbitrator

Signature Date

Perry Lee Taylor, Jr., Esq.
Non-Public Arbitrator

Signature Date

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

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NASD Dispute Resolution

Arbitration No. 03-01809

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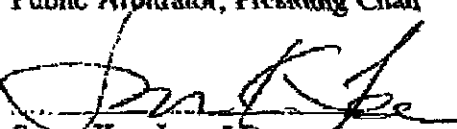
ARBITRATION PANEL

Thomas C. Harris	-	Public Arbitrator, Presiding Chair
Susan Kerr Lee, J.D.	-	Public Arbitrator
Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas C. Harris
Public Arbitrator, Presiding Chair

Signature Date


Susan Kerr Lee, J.D.
Public Arbitrator

4/23/04
Signature Date

Perry Lee Taylor, Jr., Esq.
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

Arbitration No. 03-01809

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Total Fees = \$15,775.00

Less payments = \$5,200.00

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ARBITRATION PANEL

Thomas C. Harris - Public Arbitrator, Presiding Chair

Susan Kerr Lee, J.D. - Public Arbitrator

Perry Lee Taylor, Jr., Esq. - Non-Public Arbitrator

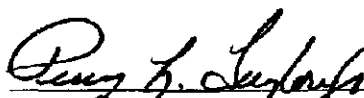
Concurring Arbitrators' Signatures

Thomas C. Harris
Public Arbitrator, Presiding Chair

Signature Date

Susan Kerr Lee, J.D.
Public Arbitrator

Signature Date


Perry Lee Taylor, Jr., Esq.
Non-Public Arbitrator

21 April '04
Signature Date

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