

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Mark J. Zebrowitz

and

Case Number: 03-03279
Hearing Site: Houston, Texas

Names of Respondents

Morgan Stanley DW, Inc. and
David J. Bass

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Mark J. Zebrowitz ("Claimant") was represented by Leonard J. Meyer, Esq., of Zimmerman, Axelrad and Meyer, of Houston, Texas.

Morgan Stanley DW, Inc. ("MSDW") and David J. Bass ("Bass") were represented by David D. Sterling, Esq., of Baker Botts LLP, of Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about May 5, 2003.

The Submission Agreement of Claimant Mark J. Zebrowitz was signed on or about April 9, 2003.

The Joint Statement of Answer was filed by Respondents Morgan Stanley DW, Inc. and David J. Bass on or about July 18, 2003.

The Submission Agreement of Respondent Morgan Stanley DW, Inc. was signed on or about July 14, 2003.

The Submission Agreement of Respondent David J. Bass was signed on or about June 5, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; negligence, failure to supervise; failure to execute; and breach of fiduciary duty. The claims related to the recommendation and purchase of unsuitable securities, unauthorized trades, and Respondents' failure to execute a sell order as instructed by Claimant.

Unless specifically admitted in their Answer, Respondents MSDW and Bass denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant was fully advised of and understood the nature of the investments purchased in his account; Claimant had full knowledge of the subject transactions; the decline in the value of Claimant's investments made through MSDW was caused in whole or in part by events outside the control of Respondents; Claimant ordered, approved, authorized, participated in, or ratified the investment transactions in dispute; and Claimant voluntarily assumed the risks of the transactions at issue and the investment losses allegedly incurred.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$196,339.00
Punitive/Exemplary Damages	\$589,017.00
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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 NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) That any relief not specifically enumerated, including punitive damages and attorney fees, 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 = \$375.00

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 = \$2250.00

Pre-hearing process fee = \$750.00

Hearing process fee = \$4000.00

Adjournment Fees

Adjournments requested during these proceedings:

June 22 – 25, 2004, adjournment by David J. Bass = \$1200.00

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 arbitrator(s), including a pre-hearing

conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1200.00		= \$2400.00
Pre-hearing conferences: December 22, 2003	1 session	
April 23, 2004	1 session	
Six (6) Hearing sessions x \$1200.00		= \$7200.00
Hearing Dates: June 28, 2004	2 sessions	
June 29, 2004	2 sessions	
June 30, 2004	2 sessions	
Total Forum Fees		= \$9600.00

The Arbitration Panel has assessed \$9600.00 of the forum fees to Morgan Stanley DW, Inc.

Fee Summary

Claimant, Mark J. Zebrowitz, is liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$1575.00
Refund Due	= \$1200.00

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

Member Fees	= \$7000.00
Forum Fees	= \$9600.00
Total Fees	= \$16600.00
Less payments	= \$7000.00
Balance Due NASD Dispute Resolution	= \$ 9600.00

Respondent, David J. Bass is liable for:

Adjournment Fees	= \$1200.00
Total Fees	= \$1200.00
Less Payments	0.00
Balance Due NASD Dispute Resolution	= \$1200.00

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

ARBITRATION PANEL

Michael S. Wilk - Public, Presiding Chair
Steve R. Neuman - Public Arbitrator
Nick Sacaris - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Michael S. Wilk
Michael S. Wilk
Public Arbitrator, Presiding Chair

July 7, 2004
Signature Date

/s/ Steve R. Neuman
Steve R. Neuman
Public Arbitrator

July 8, 2004
Signature Date

/s/ Nick Sacaris
Nick Sacaris
Non-Public Arbitrator

July 7, 2004
Signature Date

July 9, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Michael S. Wilk - Public, Presiding Chair
Steve R. Neuman - Public Arbitrator
Nick Sacaris - Non-Public Arbitrator

Concurring Arbitrators:

Michael S. Wilk

Michael S. Wilk
Public Arbitrator, Presiding Chair

July 7, 2004

Signature Date

Steve R. Neuman
Public Arbitrator

Signature Date

Nick Sacaris
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

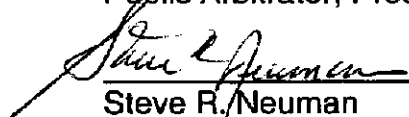
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Michael S. Wilk - Public, Presiding Chair
Steve R. Neuman - Public Arbitrator
Nick Sacaris - Non-Public Arbitrator

Concurring Arbitrators:

Michael S. Wilk
Public Arbitrator, Presiding Chair

Signature Date



Steve R. Neuman
Public Arbitrator

7.8.04

Signature Date

Nick Sacaris
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Michael S. Wilk - Public, Presiding Chair
Steve R. Neuman - Public Arbitrator
Nick Sacaris - Non-Public Arbitrator

Concurring Arbitrators:

Michael S. Wilk
Public Arbitrator, Presiding Chair

Signature Date

Steve R. Neuman
Public Arbitrator

Signature Date


Nick Sacaris
Non-Public Arbitrator

7-7-04
Signature Date

Date of Service (For NASD office use only)