

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Murray Weston and Caryl Weston as Trustees of the Murray and Caryl Weston Trust, Claimants
v. Morgan Stanley DW Inc., James T. Green, and Northbrook Life Insurance Inc., Respondents

Morgan Stanley DW Inc. and James T. Green, Cross-Claimants v. Northbrook Life Insurance
Inc., Cross-Respondent

Case Number: 03-03719

Hearing Site: Los Angeles, California

Nature of the Disputes:

Customers v. Member, Non-Member, and Associated Person

Member and Associated Person v. Non-Member

REPRESENTATION OF PARTIES

For Claimants:

Robert C. Rosen, Esq.
Rosen & Associates, P.C.
Los Angeles, California

For Respondents/Cross-Claimants

Morgan Stanley DW Inc. and James T. Green
(hereinafter Respondent Morgan Stanley DW Inc.
and Respondent James T. Green):

Catherine L. Dellecker, Esq.
Jones, Bell, Abbot, Fleming &
Fitzgerald LLP
Los Angeles, California

For Respondent/Cross-Respondent

Northbrook Life Insurance Inc.
(hereinafter Respondent Northbrook Life
Insurance Inc.):

Mark W. Hansen, Esq.
Luce, Forward, Hamilton &
Scripps LLP
San Diego, California

CASE INFORMATION

Statement of Claim filed: May 20, 2003

Claimants' Joint Uniform Submission Agreement signed: Not Dated

Respondents Morgan Stanley DW Inc. and James T. Green's Joint Statement of Answer and Cross-Claim Against Northbrook Life Insurance Inc. filed: May 24, 2004

Respondent Northbrook Life Insurance Inc.'s Statement of Answer to Statement of Claim and Cross-Claim filed: August 18, 2003

Respondent Morgan Stanley DW Inc.'s Uniform Submission Agreement signed: June 19, 2003

Respondent James T. Green's Uniform Submission Agreement signed: June 24, 2003

Respondent Northbrook Life Insurance Inc.'s Uniform Submission Agreement signed:
July 9, 2003

CASE SUMMARY

Claimants alleged negligence, lack of suitability, failure to supervise, breach of fiduciary duty, and violations of NASD and NYSE Rules involving Northbrook Annuities.

In their Statement of Answer, Respondents Morgan Stanley DW Inc. and James T. Green denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

In their Cross-Claim, Respondents Morgan Stanley DW Inc. and James T. Green alleged that they should be indemnified against Respondent Northbrook Life Insurance Inc.

Respondent Northbrook Life Insurance Inc. denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and in Respondents Morgan Stanley DW Inc. and James T. Green's Cross-Claim, and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested unspecified compensatory damages.

In their Statement of Answer, Respondents Morgan Stanley DW Inc. and James T. Green requested dismissal of the Claimants' Statement of Claim in its entirety and costs.

In their Cross-Claim, Respondents Morgan Stanley DW Inc. and James T. Green requested indemnification and costs, including attorneys' fees.

Respondent Northbrook Life Insurance Inc. requested dismissal of Claimants' Statement of Claim in its entirety and dismissal of Respondents Morgan Stanley DW Inc. and James T. Green's Cross-Claim.

OTHER ISSUES CONSIDERED AND DECIDED

On July 9, 2003, Allstate Life Insurance Co. signed a Uniform Submission Agreement as successor entity for Northbrook Life Insurance Company, named Northbrook Life Insurance Inc. in the Statement of Claim.

On August 19, 2003, Respondent Northbrook Life Insurance Inc. and Respondent's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On May 20, 2004, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the *NASD Code of Arbitration Procedure* ("Code") IM-10100, the waiver of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

By letter dated February 4, 2005, NASD Dispute Resolution received notice of settlement among the parties.

By letter dated February 4, 2005, NASD Dispute Resolution received notice of the parties' agreement to enter into a Stipulated Award recommending expungement of all reference to the above-captioned arbitration from Respondent James T. Green's registration records maintained by the NASD Central Registration Depository ("CRD").

Claimants and Respondents have entered into a confidential settlement agreement pursuant to which Claimants have agreed to dismiss their claims against Respondents with prejudice and Respondents Morgan Stanley DW Inc. and James T. Green have agreed to dismiss their Cross-Claim against Respondent Northbrook Life Insurance Inc. with prejudice. The parties have agreed to jointly request that an Award be issued expunging the references to this proceeding from the CRD records of Respondent James T. Green.

The parties 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

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents have entered into a confidential settlement agreement.
2. The Panel accepts the dismissal of each and every one of Claimants' claims asserted against Respondents with prejudice.
3. The Panel accepts the dismissal of Respondents Morgan Stanley DW Inc. and James T. Green's Cross-Claim asserted against Respondent Northbrook Life Insurance Inc. with prejudice.
4. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent James T. Green's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent James T. Green must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. The parties shall bear their respective costs, including attorney's fees.
6. Any and all relief not specifically granted herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 250.00
Cross claim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events, which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morgan Stanley DW Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,200.00
Total Member Fees	= \$ 4,450.00

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:

February 7 – 12, 2005 hearing dates, settled by all parties = \$ 300.00

1. The Panel assessed \$150.00 of the three-day cancellation fees jointly and severally to Claimants.
2. The Panel assessed \$150.00 of the three-day cancellation fees jointly and severally to Respondents Morgan Stanley DW Inc., James T. Green, and Northbrook Life Insurance Inc.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session = \$ 450.00
Pre-hearing conference: December 13, 2004 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,000.00/session = \$ 1,000.00
Pre-hearing conference: August 9, 2004 1 session

Total Forum Fees = \$ 1,450.00

1. The Panel assessed \$650.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$150.00 of the forum fees to Respondent Morgan Stanley DW Inc.
3. The Panel assessed \$150.00 of the forum fees to Respondent James T. Green.
4. The Panel assessed \$500.00 of the forum fees jointly and severally to Respondents Morgan Stanley DW Inc., James T. Green, and Northbrook Life Insurance Inc.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 250.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	= \$ 650.00
Total Fees	= \$ 1,050.00
Retained Deposit in accordance with Rule 10332(f) of the Code	= \$ 350.00
<u>Less payments</u>	= \$(1,450.00)
Refund Due Claimants	= \$ (50.00)

2. Respondents Morgan Stanley DW Inc. and James T. Green are charged jointly and severally with the following fees and costs:

Cross-Claim Filing Fee	= \$ 500.00
Retained Deposit in accordance with Rule 10332(f) of the Code	= \$ 200.00
<u>Less payments</u>	= \$ (700.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Morgan Stanley DW Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	= \$ 150.00
Total Fees	= \$ 4,600.00
<u>Less Payments</u>	= \$(4,600.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent James T. Green is charged with the following fees and costs:

Forum Fees	= \$ 150.00
<u>Less Payments</u>	= \$ (150.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Respondents Morgan Stanley DW Inc., James T. Green, and Northbrook Life Insurance Inc. are charged jointly and severally with the following fees and costs:

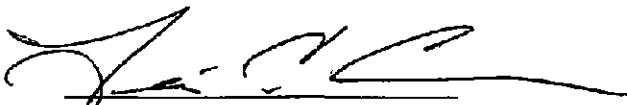
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	= \$ 500.00
Total Fees	= \$ 650.00
<u>Less payments by Respondents Morgan Stanley DW Inc. and James T. Green</u>	= \$ (500.00)
Balance Due NASD Dispute Resolution	= \$ 150.00

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

ARBITRATION PANEL

Lisa C. Anderson	-	Public Arbitrator, Presiding Chair
J. Jean Elliott	-	Public Arbitrator
Linda L. Drummond	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Lisa C. Anderson
Chair, Public Arbitrator

6-15-05

Signature Date

J. Jean Elliott
Public Arbitrator

Signature Date

Linda L. Drummond
Non-Public Arbitrator

Signature Date

6/15/05

Date of Service

ARBITRATION PANEL

Lisa C. Anderson	-	Public Arbitrator, Presiding Chair
J. Jean Elliott	-	Public Arbitrator
Linda L. Drummond	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lisa C. Anderson
Chair, Public Arbitrator



J. Jean Elliott
Public Arbitrator

Signature Date

6/10/2005

Signature Date

Linda L. Drummond
Non-Public Arbitrator

Signature Date

6/15/2005

Date of Service

ARBITRATION PANEL

Lisa C. Anderson	-	Public Arbitrator, Presiding Chair
J. Jean Elliott	-	Public Arbitrator
Linda L. Drummond	-	Non-Public Arbitrator

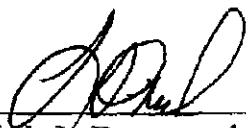
Concurring Arbitrators' Signatures

Lisa C. Anderson
Chair, Public Arbitrator

Signature Date

J. Jean Elliott
Public Arbitrator

Signature Date



Linda L. Drummond
Non-Public Arbitrator

6/12/05
Signature Date

6/15/05
Date of Service