

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Michael G. McCarthy, Individually and as
Trustee of the Jean McCarthy Trust,
Patricia McCarthy Trust, and Ann Elizabeth
McCarthy Trust

and

Case Number: 03-03941
Hearing Site: Houston, Texas

Names of Respondents

Morgan Stanley DW, Inc.,
Mark S. Elias, Gillian Munson,
Mary G. Meeker and Alex Umansky

NATURE OF DISPUTE

Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Michael G. McCarthy, Individually and as Trustee of the Jean McCarthy Trust, Patricia McCarthy Trust, and Ann Elizabeth McCarthy Trust ("**Claimants**") were represented by Jeff Dennis Ferentz, Esq., The Law Offices of Jeff Dennis Ferentz, Inc., Newport Beach, California.

Morgan Stanley DW, Inc. ("**Morgan Stanley**"), Mark Elias ("**Elias**"), Gillian Munson ("**Munson**"), Mary G. Meeker ("**Meeker**") and Alex Umansky ("**Umansky**"), hereinafter collectively referred to as "Respondents," were represented by Anne Tennant Cooney, Esq., Morgan Stanley DW, Inc., New York, New York and Joseph Serino, Jr., Esq. and Dan Rottenstreich, Esq., Kirkland & Ellis LLP, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about May 30, 2003. The Uniform Submission Agreements of Claimants, Michael G. McCarthy, Individually and as Trustee of the Jean McCarthy Trust, Patricia McCarthy Trust, and Ann Elizabeth McCarthy Trust, were signed on or about March 23, 2003.

The Statement of Answer was filed by Respondent, Morgan Stanley DW, Inc., on or about February 23, 2004. The Uniform Submission Agreement of Respondent, Morgan Stanley DW, Inc., was signed on or about December 23, 2003.

Respondents, Mark S. Elias, Gillian Munson, Mary G. Meeker and Alex Umansky, did not file a Statement of Answer. The Uniform Submission Agreement of Respondent, Mark S. Elias, was signed on or about March 1, 2004. The Uniform Submission Agreement of Respondent, Gillian Munson, was signed on or about February 24, 2004. The Uniform Submission Agreement of Respondent, Mary G. Meeker, was signed on or about March 5, 2004. The Uniform Submission Agreement of Respondent, Alex Umansky, was signed on or about March 5, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: negligence, suitability, misrepresentations, breach of fiduciary duty, and failure to supervise. The causes of action related to the purchase of various unspecified securities for Claimants' accounts.

Respondent, Morgan Stanley DW, Inc., denied the allegations made in the Statement of Claim and asserted defenses including the following: assumption of risk by Claimant; and failure to state a claim.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$7,642,000.00
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent, Morgan Stanley DW, Inc., requested that the claims asserted against it be denied in their entirety and that it be awarded its costs, attorneys' fees, and that all reference to this matter be expunged from the CRD records of Mark S. Elias, Gillian Munson, Mary G. Meeker and Alex Umansky.

OTHER ISSUES CONSIDERED & DECIDED

Claimants advised NASD that on or about April 1, 2005, they dismissed with prejudice all claims against Respondents, Mark Elias, Gillian Munson, Mary G. Meeker and Alex Umansky.

On or about May 6, 2005, Respondent, Morgan Stanley DW, Inc., filed a Motion to Dismiss. Claimants' time to respond to the Motion to Dismiss was stayed by the agreement of the parties. The Motion to Dismiss is now moot.

Claimants and Respondent, Morgan Stanley DW, Inc., advised NASD that on or about June 16, 2005, they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement. Claimants stipulate to entry of an award expunging the customer complaint from Respondents, Mark S. Elias', Gillian Munson's, Mary G. Meeker's and Alex Umansky's, registration records maintained by NASD Central Registration Depository ("CRD").

The parties have agreed that a single arbitrator may execute the Stipulated Award.

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

- 1.) Claimants' claims against Respondents, Morgan Stanley, DW, Inc., Mark S. Elias, Gillian Munson, Mary G. Meeker and Alex Umansky, are dismissed with prejudice;
- 2.) The panel recommends the expungement of all references to the above captioned arbitration from Respondent, Mark S. Elias', registration record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Mark S. Elias, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) The panel recommends the expungement of all references to the above captioned arbitration from Respondent, Gillian Munson's, registration record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Gillian Munson, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 4.) The panel recommends the expungement of all references to the above captioned arbitration from Respondent, Mary G. Meeker's, registration

record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Mary G. Meeker, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

- 5.) The panel recommends the expungement of all references to the above captioned arbitration from Respondent, Alex Umansky's, registration record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Alex Umansky, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 6.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 7.) Any and all relief not specifically addressed herein, including attorneys' fees and costs is denied and all claims are dismissed with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee	= \$ 600.00
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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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Morgan Stanley DW, Inc.

Member surcharge	= \$3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings:

June 6-22, 2005

(adjournment requested Claimants and Respondent)

= \$1,200.00

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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: April 29, 2005 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: May 6, 2004 1 session

Total Forum Fees = \$1,650.00

The Arbitration Panel has assessed \$825.00 of the forum fees jointly and severally to Michael G. McCarthy, Individually and as Trustee of the Jean McCarthy Trust, Patricia McCarthy Trust, and Ann Elizabeth McCarthy Trust.

The Arbitration Panel has assessed \$825.00 of the forum fees to Morgan Stanley DW, Inc.

Fee Summary

Claimants, Michael G. McCarthy, Individually and as Trustee of the Jean McCarthy Trust, Patricia McCarthy Trust, and Ann Elizabeth McCarthy Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 825.00
Total Fees	= \$ 2,025.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 225.00

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

Member Fee	= \$ 9,600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 825.00
Total Fees	= \$11,025.00
Less payments	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 1,425.00

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

ARBITRATOR

Lynne M. Gomez - Public Arbitrator, Presiding Chair

Arbitrator:

/s/ Lynne M. Gomez
Lynne M. Gomez
Public Arbitrator, Presiding Chair

September 19, 2005
Signature Date

September 20, 2005
Date of Service (For NASD office use only)

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

ARBITRATOR

Lynne M. Gomez - Public Arbitrator, Presiding Chair

Arbitrator:


Lynne M. Gomez
Public Arbitrator, Presiding Chair

9-19-05
Signature Date

Date of Service (For NASD office use only)