

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 03-04130

Rafael J. Garofalo, individually and
on behalf of Rafael J. Garofalo, IRA

Names of the Respondents

Hearing Site: Charlotte, North Carolina

Morgan Stanley DW Inc.
Kirit R. Doshi
Edward Jones & Co.
Roger Barry Goodwin

Nature of the Dispute: Customer vs. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimant, Rafael J. Garofalo, individually and on behalf of Rafael J. Garofalo, IRA, hereinafter referred to as "Claimant", was represented by Jan Douglas Atlas, Esq., Adorno & Yoss, Fort Lauderdale, Florida.

Respondents, Morgan Stanley DW Inc. ("Morgan Stanley") and Kirit R. Doshi ("Doshi"), were represented by Mark E. McKane, Esq., Kirkland & Ellis, LLP, San Francisco, California.

Respondents, Edward Jones & Co. ("Edward Jones") and Roger Barry Goodwin ("Goodwin"), were represented by Lisa A. Nielsen, Esq., Greensfelder, Hemker & Gale, PC, St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on June 5, 2003.

Amended Statement of Claim filed on July 22, 2004.

Claimant signed the Uniform Submission Agreement on June 2, 2003.

Statement of Answer filed by Respondents Morgan Stanley and Doshi on August 18, 2003.

Amended Statement of Answer filed by Respondents Morgan Stanley and Doshi filed on October 12, 2004.

A representative of Respondent Morgan Stanley executed the Uniform Submission Agreement on August 21, 2003.

Respondent Doshi signed the Uniform Submission Agreement on November 11, 2003.

Statement of Answer filed by Respondents Edward Jones and Goodwin on August 29, 2003.

A representative of Respondent Edward Jones executed the Uniform Submission Agreement on

June 23, 2003.

Respondent Goodwin signed the Uniform Submission Agreement on June 24, 2003.

Claimant's Motion for Leave to File Amended Statement of Claim filed on July 22, 2004.

Respondents Morgan Stanley and Doshi filed their Response to Claimant's Motion for Leave to File Amended Statement of Claim on August 11, 2004.

Respondents Morgan Stanley and Doshi's Motion to Dismiss was filed on September 14, 2004.

Claimant's Opposition to the Motion to Dismiss was filed on September 16, 2004.

CASE SUMMARY

Claimant asserted in his Amended Statement of Claim the following causes of action, among others: violation of federal securities laws, NASD Rules of Fair Practice and NYSE rules; violation of South Carolina's Uniform Securities Act; negligence; breach of fiduciary duty; failure to supervise; and vicarious liability against Respondents Morgan Stanley and Edward Jones. The causes of action relate to the purchase and sale various unspecified stocks and the alleged duty to manage employee stock options.

Unless specifically admitted in their Amended Answer, Respondents Morgan Stanley and Doshi denied the allegations made in the Amended Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; assumption of risk; failure to mitigate; ratification; waiver; estoppel; damages were caused by superseding or intervening causes; Respondent Morgan Stanley had adequate supervisory procedures in place; and comparative and/or contributive negligence.

Unless specifically admitted in their Answer, Respondents Edward Jones and Goodwin denied the allegations made in the Statement of Claim and asserted the following defenses, among others: statute of limitations; authorization; waiver; ratification; contributory or comparative negligence; failure to mitigate; and Respondent Edward Jones had adequate supervisory procedures in place.

RELIEF REQUESTED

Claimant in his Amended Statement of Claim requested:

Compensatory Damages	\$8,000,000.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents Morgan Stanley and Doshi in their Amended Statement of Answer requested the Panel deny all of Claimant's claims with prejudice, issue a directive ordering Respondent Doshi's Central Registration Depository ("CRD") be expunged of all references to this

arbitration, and assess all hearing costs against Claimant.

Respondent Edward Jones and Goodwin requested that all claims be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

By Order dated September 28, 2004, the Panel granted Claimant's Motion for Leave to Amend his Statement of Claim and denied Respondents Morgan Stanley and Doshi's Motion to Dismiss.

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

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

1. All claims against Respondents are denied in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Doshi and Goodwin's 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, Respondents Doshi and Goodwin 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 attorneys' fees, except as Fees are specifically addressed below; and
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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 600.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondents Morgan Stanley and Edward Jones are parties.

Morgan Stanley's Member Fees:

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00
Total Member Fees	= \$ 9,600.00

Edward Jones's Member Fees:

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00
Total Member Fees	= \$ 9,600.00

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: August 17, 2004 1 session	
September 20, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: January 14, 2004 1 session	

Eight (8) Hearing sessions @ \$1,200.00	= \$ 9,600.00
Hearing Dates: November 8, 2004 2 sessions	
November 9, 2004 2 sessions	
November 10, 2004 2 sessions	
November 11, 2004 2 sessions	

Total Forum Fees	= \$11,700.00
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1. The Panel has assessed \$3,900.00 of the forum fees to Claimant.
2. The Panel has assessed \$3,900.00 of the forum fees to Respondent Morgan Stanley.
3. The Panel has assessed \$3,900.00 of the forum fees to Respondent Edward Jones.

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 3,900.00
Total Fees	= \$ 4,500.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

3. Respondent Morgan Stanely is assessed and shall pay the following fees:

Member Fees	= \$ 9,600.00
Forum Fees	= \$ 3,900.00
Total Fees	= \$13,500.00
Less payments	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 3,900.00

3. Respondent Edward Jones is assessed and shall pay the following fees:

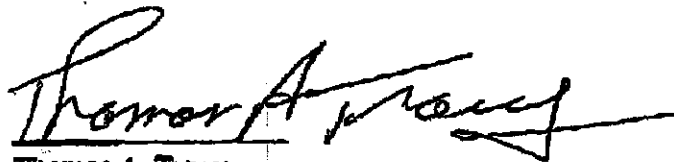
Member Fees	= \$ 9,600.00
Forum Fees	= \$ 3,900.00
Total Fees	= \$13,500.00
Less payments	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 3,900.00

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

ARBITRATION PANEL

Thomas A. Tracy	-	Public Arbitrator, Presiding Chairperson
Charles L. Weill, Jr.	-	Public Arbitrator, Panelist
John E. Baynum, Sr.	-	Non-Public Arbitrator, Panelist

Concerning Arbitrators' Signatures



Thomas A. Tracy
Public Arbitrator, Presiding Chairperson

Nov 15, 2004

Signature Date

Charles L. Weill, Jr.
Public Arbitrator, Panelist

Signature Date

John E. Baynum, Sr.
Non-Public Arbitrator, Panelist

Signature Date

November 17, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Thomas A. Tracy
Public Arbitrator, Presiding Chairperson

Signature Date

Charles L. Weill, Jr.
Charles L. Weill, Jr.
Public Arbitrator, Panelist

11-16-04
Signature Date

John E. Baynum, Sr.
Non-Public Arbitrator, Panelist

Signature Date

November 17, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Thomas A. Tracy
Public Arbitrator, Presiding Chairperson

Signature Date

Charles L. Weill, Jr.
Public Arbitrator, Panelist

Signature Date



John E. Baynum, Sr.
Non-Public Arbitrator, Panelist

16 Nov '04
Signature Date

November 17, 2004
Date of Service (For NASD Dispute Resolution office use only)