

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Garrett Superannuation Fund, Tymstand Pty Ltd., Individually and as Trustee of the Garrett Family Trust, Jammjack Pty Ltd., Individually and as Trustee of the Garrett Superannuation Fund, Rodney Joseph Garrett a/k/a Tom Garrett, Lanstone Nominees Pty Ltd., Individually and as Trustee of the Barry Fry Superannuation Fund and The Barry Fry Superannuation Fund (Claimants) v. Morgan Wilshire Securities, Inc., Morgan Wilshire Securities, Pty Ltd., Michael Mourounas, Anthony Donaruma, Alexys Mackenzie, Barry Francis Cassese, Michael John Finnan and Charles Carrillo (Respondents)

Case Number: 03-04214

Hearing Site: New York, NY

Nature of the Dispute: Customers vs. Member, Non-Member and Associated Persons

REPRESENTATION OF PARTIES

Claimants, Garrett Superannuation Fund, ("G. Fund") Tymstand Pty Ltd., Individually ("Tymstand") Tymstand Pty Ltd. as Trustee of the Garrett Family Trust, ("Garrett Trust") Jammjack Pty Ltd., Individually ("Jammjack"), Jammjack Pty Ltd. as Trustee of the Garrett Superannuation Fund ("Garrett Fund"), Rodney Joseph Garrett a/k/a Tom Garrett ("R. Garrett"), Lanstone Nominees Pty Ltd. Individually ("Lanstone"), Lanstone Nominees Pty Ltd. as Trustee of the Barry Fry Superannuation Fund ("Barry Fry Fund") and The Barry Fry Superannuation Fund (B. Fry") hereinafter collectively referred to as "Claimants": Kim Steven Juhase, Esq., Novak & Juhase, Roseland NJ.

Respondents, Morgan Wilshire Securities, Inc. ("Morgan Wilshire"), Morgan Wilshire Securities, Pty Ltd. ("Morgan Wilshire P/L"), Michael John Finnan ("Finnan"), and Charles Carrillo ("Carrillo") hereinafter referred to as "Respondents": Lawrence S. Leibowitz, Esq., Law Office of Lawrence S. Leibowitz PC, New York, NY.

Respondent Anthony Donaruma ("Donaruma"), George M. Gavalas, Esq., George M. Gavalas PC, Mineola, NY.

Respondent Alexys Mackenzie ("Mackenzie") appeared *pro se*.

Respondent Michael Mourounas ("Mourounas") appeared *pro se*.

Respondent Barry Francis Cassese ("Cassese") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: June 9, 2003.

Claimant G. Fund signed the Uniform Submission Agreement: April 4, 2003.

Claimant Tymstand signed the Uniform Submission Agreement: April 20, 2003.

Claimant Garrett Trust signed the Uniform Submission Agreement: April 20, 2003.

Claimant Jammjack signed the Uniform Submission Agreement: April 20, 2003.

Claimant Garrett Fund signed the Uniform Submission Agreement: April 20, 2003.

Claimant R. Garrett signed the Uniform Submission Agreement: April 2, 2003.

Claimant Lanstone signed the Uniform Submission Agreement: April 24, 2003.

Claimant Barry Fry Fund signed the Uniform Submission Agreement: April 24, 2003.

Claimant B. Fry signed the Uniform Submission Agreement: April 24, 2003.

Joint Statement of Answer filed by Respondents, Morgan Wilshire, Morgan Wilshire P/L, Finnan, and Carrillo on or about: November 23, 2003.

Respondent, Carrillo signed the Uniform Submission Agreement: November 24, 2003.

Respondents Morgan Wilshire, Morgan Wilshire P/L and Finnan did not submit Uniform Submission Agreements.

Statement of Answer filed by Respondent Mackenzie on or about: June 22, 2004.

Respondent Mackenzie did not submit a signed Uniform Submission Agreement.

Statement of Answer filed by Respondent Mourounas on or about: September 23, 2003.

Respondent Mourounas signed the Uniform Submission Agreement: September 23, 2003.

Respondents Cassese and Donaruma did not file Statement of Answers or submit Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, failure to supervise, breach of fiduciary duty, unauthorized trading, misrepresentations and omission of facts. The causes of action relate to various common stock.

Unless specifically admitted in their Answer, Respondents Morgan Wilshire, Morgan Wilshire P/L, Finnan, Carrillo, Mackenzie, and Mourounas denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 500,000.00-Garrett
Compensatory Damages	\$ 65,243.94-Lanstone
Punitive Damages	\$ Unspecified
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified

Respondents Morgan Wilshire, Morgan Wilshire P/L, Finnan, and Carrillo requested that the Panel dismiss the Statement of Claim with prejudice and grant any such relief that the Panel deems as just and proper.

Respondent McKenzie requested that the Panel dismiss any and all claims in its entirety and any other relief as Panel deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents Cassese and Donaruma have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Cassese and Donaruma did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

On or about December 5, 2003, Claimants dismissed with prejudice, their claims against Respondent Cassese.

On or about June 14, 2005, at the pre-hearing conference, counsel for all parties agreed to sever all claims of Claimants Lanstone Nominees Pty Ltd and Barry Fry Superannuation Fund.

Respondents Mourounas, Mackenzie and Donaruma did not appear at the hearings held on June 22, 23, 24 and 27, 2005.

At the hearing, Claimants made the following Motions: Motion for Default Judgment against Respondents Mourounas and Morgan Wilshire; Motion to Strike; Motion to Amend Statement of Claim to add a claim of violation of Australian Registration Requirements; and Motion for Sanctions for Late Compliance on Discovery Request. After due consideration, the Panel denied the above listed Motions.

At the hearing, Claimants also made a Motion to Exclude Tape Recordings. The Panel ruled this Motion as moot since there was no objection from Respondents' counsel.

At the hearing, Respondents made a Motion to Dismiss all claims against Respondent Carrillo and Finnan, after due consideration, the Panel denied the Motion.

At the hearing Respondents made a Motion for Declaration that Respondents are entitled to the benefits of New York General Obligations Law § 15-108 with respect to the Cassese settlement. At the conclusion of the hearing, the Panel granted the Motion and subtracted \$10,000.00 in computing the final award.

At the hearing Respondents made a Motion for A Declaration, that the Statement of Claim does not include a claim for Violations of Australian Registration Requirements. After due consideration, the Panel granted the Motion

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. Respondents Morgan Wilshire Securities, Inc., Michael Mourounas and Michael J. Finnan are liable for and shall pay compensatory damages in the amount of \$70,000.00 to Claimant Tymstand Pty Ltd. Respondent Morgan Wilshire is liable for and shall pay the amount of \$40,000.00; Respondent Mourounas is liable for and shall pay the amount of \$15,000.00; and Respondent Finnan is liable for and shall pay the amount of \$15,000.00.
2. Respondents Morgan, Mourounas and Finnan are liable for and shall pay Claimant Tymstand Pty Ltd. interest respectively (as listed in number 1 above) at a rate of 9% per annum from February 19, 2000 to the date of payment of the Award.
3. Respondent Morgan Wilshire Securities, Inc., is liable for and shall pay all forum fees.
4. Any and all relief not specifically addressed herein, including punitive damages, is 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 = \$ 375.00

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 persons at the time of the events giving rise to the dispute. Accordingly, Morgan is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 @ \$450.00 = \$ 450.00
Pre-hearing conference: June 14, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: November 11, 2004 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$ 9,600.00
Hearing Dates: June 22, 2005 2 sessions
June 23, 2005 2 sessions
June 24, 2005 2 sessions
June 27, 2005 2 sessions

Total Forum Fees = \$ 11,250.00

1. The Panel has assessed \$11,250.00 of the forum fees against Respondent Morgan Wilshire.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 1,575.00
Refund due Claimants	= \$ 1,200.00

2. Respondent Morgan is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 11,250.00
Total Fees	= \$ 18,250.00
Less payments	= \$ 6,000.00
Balance Due NASD Dispute Resolution	= \$ 12,250.00

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

ARBITRATION PANEL


Gary A. Gaines	-	Public Arbitrator, Presiding Chairperson
Sandra J. Mullings	-	Public Arbitrator
Henry Tiffany	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Gary A. Gaines
Public Arbitrator, Presiding Chairperson


(Signature Date)

Sandra J. Mullings
Public Arbitrator

Signature Date

Henry Tiffany
Non-Public Arbitrator

Signature Date

July 12, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Gary A. Gaines	-	Public Arbitrator, Presiding Chairperson
Sandra J. Mullings	-	Public Arbitrator
Henry Tiffany	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Gary A. Gaines
Public Arbitrator, Presiding Chairperson

Signature Date


Sandra J. Mullings
Public Arbitrator

7/11/06
Signature Date

Henry Tiffany
Non-Public Arbitrator

Signature Date

July 12, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Gary A. Gaines	-	Public Arbitrator, Presiding Chairperson
Sandra J. Mullings	-	Public Arbitrator
Henry Tiffany	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

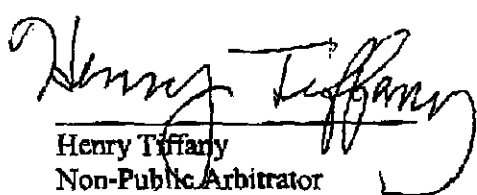
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Gary A. Gaines
Public Arbitrator, Presiding Chairperson

Signature Date

Sandra J. Mullings
Public Arbitrator

Signature Date



Henry Tiffany
Non-Public Arbitrator



Signature Date



Date of Service (For NASD Dispute Resolution use only)