

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

George E. Markovic, Claimant v. Jo Ann Corrao and Morgan Stanley DW Inc., Respondents

Case Number: 03-04618

Hearing Site: Las Vegas, Nevada

Nature of the Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

R. Craig Zafis, Esq.
A.R. Hausauer, Jr., Esq.
R. Craig Zafis, APC
San Diego, California

For Respondents:

Jesse Simpson, Esq.
Lewis & Roca LLP
Jeff Silverman
Morgan Stanley DW Inc.
Las Vegas, Nevada

CASE INFORMATION

Statement of Claim filed: June 23, 2003

Claimant George E. Markovic's Uniform Submission Agreement signed: June 18, 2003

Joint Statement of Answer filed by Respondents Jo Ann Corrao and Morgan Stanley DW Inc:
September 18, 2003

Respondent Jo Ann Corrao's Uniform Submission Agreement signed: August 28, 2003

Respondent Morgan Stanley DW Inc.'s Uniform Submission Agreement signed: August 15,
2003

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, breach of contract, negligence, misrepresentation, statutory and common law fraud, and breach of fiduciary duty. The causes of action relate to Respondents' purchase of class B shares of Morgan Stanley DW Inc. mutual funds and Morgan Stanley DW Inc. unit investment trusts as well as a general overconcentration of Claimant's accounts in equities.

Unless otherwise admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted the following defenses: waiver, estoppel, ratification, and comparative fault.

RELIEF REQUESTED

Claimants requested between \$500,000.00 and \$1,000,000.00 in compensatory damages, unspecified punitive damages, pre- and post-judgment interest and costs, including attorney's fees.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted 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	= \$ 375.00
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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 that 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	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$4,000.00
Total Member Fees	= \$7,000.00

Adjournment Fees

The following adjournment fees are assessed:

November 2-5, 2004, adjournment requested by Claimant	= \$ waived
April 11-15, 2005, adjournment requested by Respondents	= \$1,200.00

The Panel assessed the fee for the adjournment of the April 11-15, 2005 hearing dates to Respondents Morgan Stanley DW Inc. and Jo Ann Corrao jointly and severally.

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 or the parties and the Panel. The following fees are assessed:

One (1) pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: September 3, 2004 1 session	
One (1) pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: January 12, 2004 1 session	
Five (5) hearing sessions @ \$1,200.00/session	= \$6,000.00
Hearings: September 19, 2005 2 sessions	
September 20, 2005 2 sessions	
September 21, 2005 1 session	
Total Forum Fees	= \$7,650.00

1. The Panel assessed \$3,825.00 of the forum fees to Claimant George E. Markovic.
2. The Panel assessed \$3,825.00 of the forum fees jointly and severally to Respondents Jo Ann Corrao and Morgan Stanley DW Inc.

Fee Summary

1. Claimant George E. Markovic is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$ 4,200.00
Less payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution	= \$ 2,625.00

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

Member Fees	= \$ 7,000.00
Less payments	= \$(7,000.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Morgan Stanley DW Inc. and Jo Ann Corrao are charged jointly and severally with the following fees and costs:

Adjournment Fee	= \$1,200.00
Forum Fees	= \$3,825.00
Balance Due NASD Dispute Resolution	= \$5,025.00

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.

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ARBITRATION PANEL

Steven K. Lum, Esq.

Dale B. Rycraft, Jr., Esq.

Andrew Ferguson

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures



Steven K. Lum, Esq.
Chair, Public Arbitrator

9/22/05
Signature Date

Dale B. Rycraft, Jr., Esq.
Public Arbitrator

Signature Date

Andrew Ferguson
Non-Public Arbitrator

Signature Date

9/22/05
Date of Service

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<i>Dale B. Rycraft, Jr., Esq.</i>	-	<i>Public Arbitrator</i>
<i>Andrew Ferguson</i>	-	<i>Non-Public Arbitrator</i>

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Chair, Public Arbitrator

Signature Date

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Public Arbitrator

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<i>Andrew Ferguson</i>	-	<i>Non-Public Arbitrator</i>

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Chair, Public Arbitrator

Signature Date

Dale B. Rycraft, Jr., Esq.
Public Arbitrator

Signature Date

Andrew Ferguson

Andrew Ferguson
Non-Public Arbitrator

9-26-05

Signature Date

Date of Service