

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Lanek Limited, Kevin McCurdy, Howard Field and Jascan Investments, Inc., Claimants
v. Morgan Stanley DW Inc., Antony Gordon and Margaret Black, Respondents

Case Number: 04-00435

Hearing Site: San Francisco, California

Nature of the Dispute: Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimants:

Timothy A. Canning
Richard Sacks
Law Offices of Timothy A. Canning
Novato, California

For Respondents Morgan Stanley DW Inc.
and Margaret Black:

Eric G. Wallis
Reed Smith LLP
Oakland, California

For Respondent Antony Gordon:

Rene J. Kern, Jr.
Kern & Gonzalez
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 20, 2004

Claimant Lanek Limited's Uniform Submission Agreement signed: January 16, 2004

Claimant Kevin McCurdy's Uniform Submission Agreement signed: January 17, 2004

Claimant Howard Field's Uniform Submission Agreement signed: January 16, 2004

Claimant Jascan Investments, Inc.'s Uniform Submission Agreement signed: January 16, 2004

Joint Statement of Answer filed by Respondents Morgan Stanley DW Inc. ("Morgan Stanley") and Margaret Black: April 23, 2004

Respondent Morgan Stanley's Uniform Submission Agreement signed: February 23, 2004

Respondent Margaret Black's Uniform Submission Agreement signed: March 12, 2004

Statement of Answer filed by Respondent Antony Gordon: April 23, 2004

Respondent Antony Gordon's Uniform Submission Agreement signed: April 20, 2004

CASE SUMMARY

Claimants alleged that Respondents were liable to them for damages resulting from fraud, negligence, breach of contract and breach of fiduciary duty resulting from Respondents' failure to charge Claimants an interest rate on Claimants' debit balances identical to that Respondents charged their most favorable customers, resulting in an interest overcharge. Claimants' Claim did not specify the securities at issue in this matter.

Respondents denied the allegations of wrongdoing and denied that Claimants were damaged by any act of Respondents, and alleged several affirmative defenses.

RELIEF REQUESTED

Claimants requested \$592,418.48 in compensatory damages, punitive damages and costs.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On March 18, 2004 and August 11, 2004, Claimant Lanek Limited 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.

On August 11, 2004, Claimant Kevin McCurdy 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.

On August 11, 2004, Claimant Howard Field 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.

On March 19, 2004 and August 11, 2004, Claimant Jascan Investments, Inc. 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 Code of Arbitration Procedure 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.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies.

STIPULATION

The parties have stipulated to a dismissal with prejudice of all claims in this arbitration proceeding, and have further stipulated to a recommendation by the Panel for expungement of this dispute, complaint, and/or arbitration from Respondents Margaret Black's and Antony Gordon's registration records maintained by the Central Registration Depository.

AWARD

Pursuant to the stipulation reached by the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims in this case are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondents Margaret Black's and Antony Gordon's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Margaret Black and Antony Gordon must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Each party shall bear its own costs and expenses, including attorney's fees.
4. All other relief 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

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 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

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$2,400.00
Pre-hearing conferences: November 4, 2004 1 session
June 28, 2005 1 session

Total Forum Fees = \$2,400.00

1. The Panel assessed \$1,200.00 of the forum fees jointly and severally to Claimants Lanek Limited, Kevin McCurdy, Howard Field and Jascan Investments, Inc.
2. The Panel assessed \$1,200.00 of the forum fees jointly and severally to Respondents Morgan Stanley, Antony Gordon and Margaret Black.

Fee Summary

1. Claimants Lanek Limited, Kevin McCurdy, Howard Field and Jascan Investments, Inc. are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,575.00
Less payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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

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

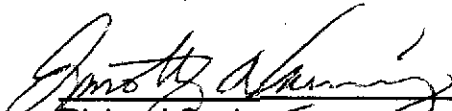
3. Respondents Morgan Stanley, Antony Gordon and Margaret Black are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,200.00
<u>Less payments</u>	<u>= \$(0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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.

Parties' Signatures

Dated: 6/19/06


Richard Sacks
Law Offices of Timothy A. Canning
Claimants' Representative

Dated: _____

Eric G. Wallis
Reed Smith LLP
Attorneys for Respondents Morgan Stanley
DW Inc. and Margaret Black

Dated: _____

Rene J. Kern, Jr.
Kern & Gonzalez
Attorneys for Respondent Antony Gordon

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

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

3. Respondents Morgan Stanley, Antony Gordon and Margaret Black are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,200.00
<u>Less payments</u>	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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.

Parties' Signatures

Dated: _____

Richard Sacks
Law Offices of Timothy A. Canning
Claimants' Representative

Dated: May 22, 2006

Eric G. Wallis
Eric G. Wallis
Reed Smith LLP
Attorneys for Respondents Morgan Stanley
DW Inc. and Margaret Black

Dated: _____

Rene J. Kern, Jr.
Kern & Gonzalez
Attorneys for Respondent Antony Gordon

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2. Respondent Morgan Stanley 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, Antony Gordon and Margaret Black are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,200.00
Less payments	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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.

Parties' Signatures

Dated: _____

Richard Sacks
Law Offices of Timothy A. Canning
Claimants' Representative

Dated: May 22, 2006

Eric G. Wallis
Reed Smith LLP
Attorneys for Respondents Morgan Stanley
DW Inc. and Margaret Black

Dated: July 18, 2006

Rene J. Kern, Jr.
Kern & Gonzalez
Attorneys for Respondent Antony Gordon

ARBITRATION PANEL

Ferdinand Schoch
Laurel Littman Gethelf
Richard B. Bullock

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Ferdinand Schoch

Ferdinand Schoch
Chair, Public Arbitrator

7/31/06

Signature Date

Laurel Littman Gethelf
Public Arbitrator

Signature Date

Richard B. Bullock
Non-Public Arbitrator

Signature Date

8/1/06

Date of Service

ARBITRATION PANEL

Ferdinand Schoch
Laurel Littman Getheif
Richard B. Bullock

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Ferdinand Schoch
Chair, Public Arbitrator

Signature Date


Laurel Littman Getheif
Public Arbitrator

7-20-06
Signature Date

Richard B. Bullock
Non-Public Arbitrator

Signature Date

8/1/06
Date of Service

ARBITRATION PANEL

Ferdinand Schoch	-	Public Arbitrator, Presiding Chair
Laurel Littman Gethelf	-	Public Arbitrator
Richard B. Bullock	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Ferdinand Schoch
Chair, Public Arbitrator

Signature Date

Laurel Littman Gethelf
Public Arbitrator

Signature Date

Richard B. Bullock
Richard B. Bullock
Non-Public Arbitrator

7/21/06
Signature Date

8/1/06
Date of Service