

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Louis Gallotta (Claimant) v. Morgan Stanley DW, Inc. and Carol Glazer (Respondents)

Case Number: 04-00824

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Louis Gallotta ("Gallotta") hereinafter referred to as "Claimant": Stuart P. Schlem, Stock Market Recovery Consultants, Inc., Brooklyn, NY. Previously represented by Benjamin Lapin, Stock Market Recovery Consultants, Inc., Brooklyn, NY.

Respondents Morgan Stanley DW, Inc. ("MSDW") and Carol Glazer ("Glazer") hereinafter collectively referred to as "Respondents": Julie K. Glynn, Esq., Morgan Stanley DW, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 6, 2004.

Claimant signed the Uniform Submission Agreement: May 17, 2003.

Joint Statement of Answer filed by Respondents on or about: April 23, 2004.

Respondent MSDW signed the Uniform Submission Agreement: April 23, 2004.

Respondent Glazer signed the Uniform Submission Agreement: April 22, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: false and misleading statements made; unsuitability; misrepresentation; failure to diversify; failure to supervise; breach of fiduciary duty; unnecessary commissions generated; violation of NASD Conduct Rules and Rules of Fair Practice; and respondeat superior. The causes of action relate to various internet and technology common stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$100,000.00; return of commissions; interest; fees; punitive damages; and any other appropriate relief.

Respondents requested that all claims asserted in the Statement of Claim be denied in their entirety and that the Panel order expungement of the Claim from Respondent Glazer's CRD.

OTHER ISSUES CONSIDERED AND DECIDED

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.

At the hearing in this matter, Respondents filed a Motion to Dismiss. Respondents' Motion to Dismiss was denied.

AWARD

After considering the pleadings, and 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. Claimant's claims are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Carol Glazer'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, Respondent Carol Glazer must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. 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	= \$225.00
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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. Accordingly, Morgan Stanley DW, Inc. is a party.

Member surcharge	= \$1,100.00
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Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

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: December 6, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$750.00	= \$ 750.00
Pre-hearing conference: August 5, 2004 1 session	

Four (4) Hearing sessions @ \$750.00	= \$3,000.00
Hearing Dates: December 21, 2004 2 sessions	
December 22, 2004 2 sessions	

Total Forum Fees	= \$4,200.00
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1. The Panel has assessed \$2,100.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,100.00 of the forum fees against Morgan Stanley DW, Inc.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$2,100.00
Total Fees	= \$2,325.00
<u>Less payments</u>	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$1,350.00

2. Respondent MSDW is solely liable for:

Member Fees	= \$3,550.00
<u>Forum Fees</u>	= \$2,100.00
Total Fees	= \$5,650.00
<u>Less payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$2,100.00

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

ARBITRATION PANEL

Krishna M. Vempaty, Esq.	-	Public Arbitrator, Presiding Chairperson
John P. Bannon	-	Public Arbitrator
Robert I. Adler	-	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.

Krishna M. Vempaty
Krishna M. Vempaty, Esq.
Public Arbitrator, Presiding Chairperson

1/5/05
Signature Date

John P. Bannon
Public Arbitrator

Signature Date

Robert I. Adler
Non-Public Arbitrator

Signature Date

January 7, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

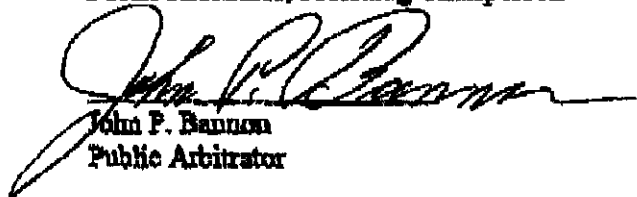
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Krishna M. Vempaty, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


John P. Bannon
Public Arbitrator

1-7-05
Signature Date

Robert I. Adler
Non-Public Arbitrator

Signature Date

January 7, 2005

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Krishna M. Vempaty, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John P. Bannon
Public Arbitrator

Signature Date



Robert I. Adler
Non-Public Arbitrator

Jan. 5, 2005

Signature Date

January 7, 2005

Date of Service (For NASD Dispute Resolution use only)