

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joyce Galletta, IRA (Claimant) vs. Morgan Stanley DW, Inc., Prudential Equity Group, Inc.,
f/k/a Prudential Securities, Inc. and John Azzato (Respondents)

Case Number: 04-02853

Hearing Site: Newark, New Jersey

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

REPRESENTATION OF PARTIES

Claimant Joyce Galletta, IRA hereinafter referred to as "Claimant": Mitchell H. Cobert, Esq.,
Morristown, NJ.

Respondent Morgan Stanley DW, Inc. ("Morgan Stanley") and John Azzato ("Azzato"): Holly
J. Sutton, Esq., Greenberg Traurig, LLP, New York, NY. Previously represented by Howard M.
Sendrovitz, Esq., Morgan Stanley DW, Inc., New York, NY. Azzato is represented only for the
time period during which he worked at Morgan Stanley.

Respondent Prudential Equity Group, Inc., f/k/a Prudential Securities, Inc. ("Prudential") and
John Azzato ("Azzato"): Alan S. Brodherson, Esq., New York, NY. Azzato is represented only
for the time period during which he worked at Prudential.

CASE INFORMATION

Statement of Claim filed on or about: April 16, 2004.

Claimant signed the Uniform Submission Agreement: April 16, 2004.

Joint Statement of Answer filed by Morgan Stanley and Azzato on or about: June 22, 2004.

Morgan Stanley did not sign the Uniform Submission Agreement.

Azzato signed the Uniform Submission Agreement: June 10, 2004.

Joint Statement of Answer filed by Prudential and Azzato on or about: June 10, 2004.

Prudential signed the Uniform Submission Agreement: July 16, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, negligence, respondeat superior
and vicarious liability, breach of fiduciary duty, breach of contract, failure to supervise,
inappropriate trading and violation of securities laws. The causes of action relate to unspecified
securities.

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

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$432,117.00 subject to adjustment at trial, New York statutory interest at the rate of 9% per annum, punitive damages, attorneys' fees, costs and such other relief as the NASD deems appropriate.

Morgan Stanley and Azzato requested dismissal of the Statement of Claim in its entirety, costs and expenses, expungement of Azzato's CRD record and such other and further relief as is just and proper.

Prudential and Azzato requested dismissal of the claim, costs and expenses and such other and further relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Morgan Stanley did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing is bound by the determination of the Arbitration Panel on all issues submitted.

At the hearing on March 28, 2006, the parties agreed to settle this matter. The Panel then held a hearing for the purpose of determining whether to grant Respondent Azzato's request for expungement of his CRD record. After due deliberation, the panel granted the expungement request.

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. Claimant's claims are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John Azzato's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent John Azzato must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of

an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration Panel has made the following affirmative findings of facts:

The claim, allegation, or information is false.

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 = \$300.00

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 at the time of the event giving rise to the dispute. Accordingly, Morgan Stanley DW, Inc. and Prudential Equity Group, Inc. are parties.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

March 21-23, 2005 – Adjournment by Claimant and Respondents	= \$ 1,125.00
Claimant's share	= \$ 562.50
Respondents' share joint and several	= \$ 562.50

Forum Fees and Assessments

The Panel has 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 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: November 23, 2004 1 session	
Two (2) Pre-hearing session with Panel @ \$1,125.00	= \$ 2,250.00
Pre-hearing conference: September 2, 2004 1 session	
November 30, 2005 1 session	
Four (4) Hearing sessions with Panel @ \$1,125.00	= \$ 4,500.00
Hearing Dates: March 27, 2006 2 sessions	
March 28, 2006 2 sessions	

Total Forum Fees = \$ 7,200.00

1. The Panel has assessed \$7,200.00 of the forum fees to Prudential Equity Group, Inc.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Adjournment Fee</u>	= \$ 562.50
Total Fees	= \$ 862.50
<u>Less payments</u>	= \$ 1,575.00
Refund Due Claimant	= \$ 712.50

2. Respondent Morgan Stanley DW, Inc. is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
Total Fees	= \$ 5,200.00
<u>Less payments</u>	= \$ 6,418.75
Refund Due Morgan Stanley	= \$ 1,218.75

3. Respondent Prudential Equity Group, Inc. is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 7,200.00
Total Fees	= \$12,400.00
<u>Less payments</u>	= \$ 5,668.75
Balance Due NASD Dispute Resolution	= \$ 6,731.25

4. Respondents Morgan Stanley, Prudential and Azzato are jointly and severally liable for:


<u>Adjournment Fee</u>	= \$ 562.50
Total Fees	= \$ 562.50
<u>Less payments</u>	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Jordan Roy Nelson, PhD	-	Public Arbitrator, Presiding Chairperson
Hilda H. Boas	-	Public Arbitrator
Alan S. Braunshweiger	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Jordan Roy Nelson, PhD
Public Arbitrator, Presiding Chairperson

4/4/06

Signature Date

Hilda H. Boas
Public Arbitrator

Signature Date

Alan S. Braunshweiger
Non-Public Arbitrator

Signature Date

April 7, 2006

Date of Service (For NASD Dispute Resolution use only)

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Jordan Roy Nelson, PhD
Public Arbitrator, Presiding Chairperson

Signature Date



Hilda H. Boas
Public Arbitrator

4-5-06

Signature Date

Alan S. Braunschweiger
Non-Public Arbitrator

Signature Date

April 7, 2006

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Public Arbitrator, Presiding Chairperson

Signature Date

Hilda H. Boas
Public Arbitrator

Signature Date


Alan S. Braunshweiger
Non-Public Arbitrator

April 2006
Signature Date

April 7, 2006

Date of Service (For NASD Dispute Resolution use only)