

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Morgan Stanley DW Inc.

and

04-03274
Chicago, Illinois

Name of Respondent

Barbara R. Kaplan

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Morgan Stanley DW Inc. ("Claimant") was represented by Diane C. Fischer, Esq., Ronald P. Kane, Esq. and Thomas A. Volz, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

Barbara R. Kaplan ("Respondent") was represented by Gregg M. Rzepczynski, Esq., Gregg M. Rzepczynski & Associates, Ltd., Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about May 4, 2004. Submission Agreement of Claimant Morgan Stanley DW Inc. was signed on April 20, 2004.

Statement of Answer was filed by Respondent Barbara R. Kaplan on or about July 13, 2004. Submission Agreement of Respondent Barbara R. Kaplan was signed on July 15, 2004.

CASE SUMMARY

Claimant, Morgan Stanley DW Inc. (formerly Dean Witter Reynolds Inc.) (hereinafter "Morgan Stanley") alleged, among other things, non-payment of the outstanding balance due on a Promissory Note (the "Note") entered into between Morgan Stanley and Barbara R. Kaplan ("Respondent" and/or "Kaplan") on October 25, 1999, which became due and owing to Morgan Stanley upon Kaplan's termination from Morgan Stanley on February 4, 2003, in the principal amount of \$691,149.13, plus accrued and accruing interest, attorneys fees and costs in accordance with the terms of the Note.

The parties resolved their dispute arising out of, and in connection with, the aforementioned Note by executing a Settlement Agreement. It is alleged that Respondent has failed to comply with the Settlement Agreement, and, despite demand, it is further alleged that Respondent has failed and refused to pay the outstanding balance due pursuant to the Settlement Agreement. Obtaining this Award by Consent is among the remedies available to Morgan Stanley pursuant to the terms of the Settlement Agreement.

Morgan Stanley has filed an Affidavit in support of its request for reasonable attorneys' fees and costs as allowed for under the terms of the Settlement Agreement.

RELIEF REQUESTED

Morgan Stanley requested the following relief:

Compensatory Damages:	\$691,149.13
Interest:	\$104,196.00 (through April 26, 2005)
Costs:	\$11,188.40
Attorneys' Fees:	\$43,544.00
TOTAL:	\$850,077.53

OTHER ISSUES CONSIDERED & DECIDED

The parties resolved their dispute by entering into a Settlement Agreement. Pursuant to the terms of that Settlement Agreement, this Stipulated Award ("Award") shall be signed by the arbitrators but no action will be taken by Morgan Stanley to enforce the Award unless Kaplan fails to comply with the payment terms of the Settlement Agreement and Release. Should Kaplan abide by the terms of the Settlement Agreement and pay Morgan Stanley the monies as agreed to, this Award shall be deemed to be satisfied.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

The parties have entered into a Settlement Agreement. As part of the Settlement Agreement, the parties have stipulated to the following award:

1. Barbara R. Kaplan shall pay to Morgan Stanley DW Inc. the total sum of \$850,077.53, less any payments made under the Settlement Agreement entered into by the parties in or about April 2005, plus interest at the rate of 6.02% per annum from April 26, 2005 to the date of full payment.
2. Except as otherwise specified herein, each party shall bear its own costs and attorneys fees.
3. Barbara R. Kaplan is liable for and shall pay to the NASD Dispute Resolution, Inc. one-half of the forum fees assessed by the Panel.
4. Morgan Stanley DW Inc. is liable for and shall pay to the NASD Dispute Resolution, Inc. one-half of the forum fees assessed by the Panel.
5. Any and all relief not specifically addressed herein 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 = \$1,250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is Morgan Stanley DW Inc.

Member surcharge	\$	2,250.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	4,000.00
Total Member Fees	\$	<u>7,000.00</u>

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	0.00
	1	session		
1 Pre-hearing session(s) with Panel	x	1,200.00	\$	1,200.00
	October 11, 2004	1	session	
1 Hearing sessions	x	1,200.00	\$	1,200.00
	April 27, 2005	1	session	
Total Forum Fees			\$	2,400.00

The Arbitration Panel has assessed \$1,200.00 of the forum fees to Morgan Stanley DW Inc.
The Arbitration Panel has assessed \$1,200.00 of the forum fees to Barbara R. Kaplan.

Fee Summary

Claimant, Morgan Stanley DW Inc., shall be and hereby is liable for:

Initial Filing Fee	= \$	1,250.00
Member Fees	= \$	7,000.00
Three Day Cancellation Fee	= \$	150.00
<u>Forum Fees</u>	= \$	1,200.00
Total Fees	= \$	9,600.00
<u>Less payments</u>	= \$	-9,450.00
Balance Due NASD Dispute Resolution	= \$	150.00

Respondent, Barbara R. Kaplan, shall be and hereby is liable for:

Three Day Cancellation Fee	= \$	150.00
<u>Forum Fees</u>	= \$	1,200.00
Total Fees	= \$	1,350.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,350.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Frank Samuelsohn – Non-Public Arbitrator, Presiding Chair
Robert B. Schmidt – Non-Public Arbitrator
Brian E. Slotky – Non-Public Arbitrator

NASD Dispute Resolution
Arbitration No. 04-03274
Stipulated Award Page 5 of 5

Concurring Arbitrators:

/s/ Frank Samuelsohn
Frank Samuelsohn
Non-Public Arbitrator, Presiding Chair

April 27, 2005
Signature Date

/s/ Robert B. Schmidt
Robert B. Schmidt
Non-Public Arbitrator

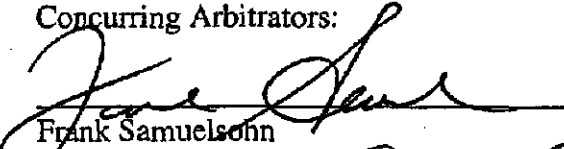
April 27, 2005
Signature Date

/s/ Brian E. Slotky
Brian E. Slotky
Non-Public Arbitrator

April 27, 2005
Signature Date

Date of Service (For NASD office use only)

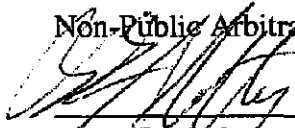
Concurring Arbitrators:


Frank Samuelsohn

Non-Public Arbitrator, Presiding Chair


Robert B. Schmidt

Non-Public Arbitrator


Brian E. Slotky

Non-Public Arbitrator

4/27/05
Signature Date

4/27/05
Signature Date

4/27/05
Signature Date

Date of Service (For NASD office use only)