

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Craig Berube

Case Number: 04-03924

Names of the Respondents
Morgan Stanley DW, Inc.
Paul L. Fowler

Hearing Site: Philadelphia, PA

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

REPRESENTATION OF PARTIES

Claimant, Craig Berube, hereinafter referred to as "Claimant", was represented by Theodore H. Jobes, Esq., Fox Rothschild LLP, Philadelphia, Pennsylvania.

Respondents, Morgan Stanley DW, Inc. ("Morgan Stanley") and Paul L. Fowler ("Fowler"), hereinafter collectively referred to as "Respondents", were represented by David C. Franceski, Jr., Esq. and David M. Burkholder, Esq., Stradley, Ronon, Stevens & Young, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on June 2, 2004.

Claimant filed a Response in Opposition to Respondent Morgan Stanley's Counterclaim on September 17, 2004.

Claimant signed the Uniform Submission Agreement on May 19, 2004.

Statement of Answer filed by Respondents on August 24, 2004.

Counterclaim filed by Respondent Morgan Stanley on August 24, 2004.

A representative of Respondent Morgan Stanley executed the Uniform Submission Agreement on August 30, 2004.

Respondent Fowler filed an undated Uniform Submission Agreement with NASD Dispute Resolution.

CASE SUMMARY

Claimants asserted the following causes of action: violation of Sections 10(b), 15 and 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934; violation of Section 15 of the Securities Exchange Act of 1933; violation of Sections 401, 403 and 404 of the Pennsylvania Securities Act of 1972; violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law; fraud; negligent misrepresentation; breach of fiduciary duty; breach of contract; negligence; failure to supervise; and *respondeat superior*. Claimant alleged that Respondents caused him to sustain losses in his Morgan Stanley Dean Witter & Co. investment account from March 2000 through September 2001.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant did not sustain any compensable loss; Claimant's failure to timely object to any of the transactions of which he complains constitutes a ratification of these transactions and a waiver or estoppel of Claimant's right to any recovery sought in the Statement of Claim; and Claimant's claims are barred by all applicable statutes of limitations.

In the Counterclaim, Respondent Morgan Stanley asserted a Counterclaim for breach of contract against Claimant for reimbursement of their attorneys' fees incurred as a result of Claimant's filing of his claims in the Court of Common Pleas, Philadelphia County, and Respondents' efforts to stay that action pending resolution of this arbitration.

Unless specifically admitted in his Response in Opposition to the Counterclaim, Claimant denied all liability to Respondents.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$357,151.00, punitive damages, treble damages, attorneys' fees, interest and costs.

Respondents requested that Claimant's claims be dismissed.

Respondent Morgan Stanley in the Counterclaim requested:

Compensatory Damages	\$ 18,000.00
Attorneys' Fees	amount unspecified
Interest	amount unspecified
Other Costs	amount unspecified

Claimant requested that Respondent Morgan Stanley's Counterclaim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

On October 9, 2003, Claimant filed a complaint in the Court of Common Pleas, Philadelphia County ("Court"). The Court remanded the case to arbitration.

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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

AWARD

Pursuant to the above, the Arbitration Panel (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed parties have amicably resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Fowler's registration records maintained by the CRD with the understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Fowler must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. Claimant agrees to pay both Claimant's hearing fee and that portion of Respondents' hearing fee equal to but not to exceed the amount of Claimant's hearing fee incurred in connection with the first day of the scheduled hearing on August 8, 2005. Except as otherwise set forth herein and in the Parties' Settlement Agreement, the Parties shall pay their own costs and fees, including attorneys' fees, relating to this action; and
4. That any and all relief not specifically addressed herein, including punitive and treble damages, is denied in its entirety.

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	= \$ 500.00
Counterclaim filing fee	= \$ 750.00

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 person at the time of the events giving rise to the dispute. Accordingly, Respondent Morgan Stanley is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between

the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing sessions with a single arbitrator @ 450.00	= \$ 450.00
Pre-hearing conference: May 16, 2005 1 session	
One (1) Pre-hearing session with Panel @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conference: November 11, 2004 1 session	
One (1) Hearing session @ \$ 1,200.00	= \$ 1,200.00
Hearing Date: August 8, 2005 1 session	
Total Forum Fees	= \$ 2,850.00

1. The Panel has assessed \$ 825.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 825.00 of the forum fees jointly and severally to Respondents.
3. The parties agreed that \$1,200.00 of the forum fees shall be assessed to Claimant.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 2,025.00</u>
Total Fees	= \$ 2,525.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution	= \$ 825.00
2. Respondent Morgan Stanley is assessed and shall pay:

Filing Fee	= \$ 750.00
<u>Member Fees</u>	<u>= \$ 8,550.00</u>
Total Fees	= \$ 9,300.00
<u>Less payments</u>	<u>= \$ 7,750.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,550.00
3. Respondents are jointly and severally assessed and shall pay:

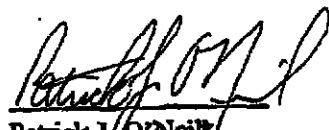
<u>Forum Fees</u>	<u>= \$ 825.00</u>
Total Fees	= \$ 825.00
<u>Less payments</u>	<u>= \$ 450.00</u>
Balance Due NASD Dispute Resolution	= \$ 375.00

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

ARBITRATION PANEL

Patrick J. O'Neill	-	Public Arbitrator, Presiding Chairperson
Kathleen Kovach Murphy, Esq.	-	Public Arbitrator, Panelist
Arthur Kalbheim	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Patrick J. O'Neill
Public Arbitrator, Presiding Chairperson

03/17/06

Signature Date

Kathleen Kovach Murphy, Esq.
Public Arbitrator, Panelist

Signature Date

May 17 2006

Date of Service (For NASD Dispute Resolution office use only)

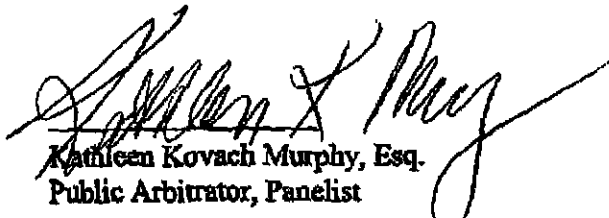
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Patrick J. O'Neill
Public Arbitrator, Presiding Chairperson

Signature Date


Kathleen Kovach Murphy, Esq.
Public Arbitrator, Panelist


Signature Date



Date of Service (For NASD Dispute Resolution office use only)