

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mr. Stanley and Mrs. Denise Rubens, Husband and Wife, (Claimants) v. Morgan Stanley DW, Inc., Darlene J. Palmer, and John Doe (Respondents)

Case Number: 04-04408

Hearing Site: Newark, New Jersey

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

REPRESENTATION OF PARTIES

Claimants, Mr. Stanley Rubens ("S. Rubens") and Mrs. Denise Rubens ("D. Rubens"), hereinafter collectively referred to as "Claimants": Howard A. Miller, Esq., Hackensack, NJ.

Respondents, Morgan Stanley n/k/a Morgan Stanley DW Inc., ("Morgan Stanley") and Darlene J. Palmer ("Palmer"), hereinafter collectively referred to as "Respondents": Scott T. Tross, Esq., Herrick, Feinstein LLP, Newark, NJ.

CASE INFORMATION

Statement of Claim filed on or about: June 14, 2004.

Claimants signed the Uniform Submission Agreement on or about: June 18, 2004.

Joint Statement of Answer filed by Respondents filed on or about: October 25, 2004.

Respondent Morgan Stanley signed the Uniform Submission Agreement on or about: October 22, 2004.

Respondent Palmer signed the Uniform Submission Agreement on or about: October 22, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: negligence; failure to supervise; non-suitability; respondeat superior and violations of Section 10(b), Rule 10(b), and Rule 10(b-5) of the Securities Exchange Act of 1934. The causes of action relate to unspecified common stock.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$500,000; punitive damages in the amount of \$1,500,000; forum fees, attorney's fees, witness and production fees, and such other and further relief the arbitration panel may deem appropriate.

Respondents requested that the Panel dismiss the Statement of Claim in its entirety; direct that any reference to this dispute be expunged from Palmer's CRD records; award Respondents attorneys' fees, costs and disbursements which they incur in defending against Claimants' claims; and grant such other and further relief as this Panel deems appropriate.

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.

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. Respondents Morgan Stanley and Palmer are jointly and severally liable for and shall pay to Claimants the sum of \$200,000.00 as compensatory damages.
2. 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	= \$ 500.00
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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 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 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 Panel @ \$1,200.00	= \$	1,200.00
Pre-hearing conference: December 10, 2004 1 session		
Four (4) Hearing sessions @ \$1,200.00	= \$	4,800.00
Hearing Date: June 20, 2005 2 sessions		
June 21, 2005 2 sessions		
Total Forum Fees	= \$	6,000.00

1. The Panel has assessed \$3,000.00 of the forum fees against Claimants.
2. The Panel has assessed \$3,000.00 of the forum fees jointly and severally against Respondents Morgan Stanley and Palmer.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$	500.00
Forum Fees	= \$	3,000.00
Total Fees	= \$	3,500.00
<u>Less payments</u>	= \$	1,700.00
Balance Due NASD Dispute Resolution	= \$	1,800.00

2. Respondent is solely liable for:

Member Fees	= \$	8,550.00
Total Fees	= \$	8,550.00
<u>Less payments</u>	= \$	8,550.00
Balance Due NASD Dispute Resolution	= \$	0.00

4. Respondents are jointly and severally liable for:

Forum Fees	= \$	3,000.00
Total Fees	= \$	3,000.00
<u>Less payments</u>	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	3,000.00

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

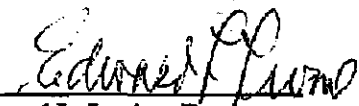
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ARBITRATION PANEL

Edward L. Levine, Esq.	-	Public Arbitrator, Presiding Chairperson
Howard S. Quinn	-	Public Arbitrator
Cornelius C. Clancy	-	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.



Edward L. Levine, Esq.
Public Arbitrator, Presiding Chairperson

4/24/05

Signature Date

Howard S. Quinn
Public Arbitrator

Signature Date

Cornelius C. Clancy
Non-Public Arbitrator

Signature Date

June 29, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Edward L. Levine, Esq.	-	Public Arbitrator, Presiding Chairperson
Howard S. Quinn	-	Public Arbitrator
Cornelius C. Clancy	-	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.

Edward L. Levine, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Howard S. Quinn
Howard S. Quinn
Public Arbitrator

6/23/05
Signature Date

Cornelius C. Clancy
Non-Public Arbitrator

Signature Date

June 29, 2005
Date of Service (For NASD Dispute Resolution use only)