

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Morgan Stanley DW Inc. formerly Dean Witter Reynolds, Inc. (Claimant) v. Steven B. Nothmann (Respondent)

Case Number: 04-04451

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Member vs. Associated Person

REPRESENTATION OF PARTIES

Claimant Morgan Stanley DW Inc. hereinafter referred to as "Claimant": Diane C. Fischer, Esq., Kane & Fischer, Ltd., Chicago, IL.

Respondent Steven B. Nothmann hereinafter referred to as "Respondent": Richard J. Grahn, Esq., Looney & Grossman LLP, Boston, MA.

CASE INFORMATION

Statement of Claim filed on or about: June 23, 2004.

Claimant signed the Uniform Submission Agreement: June 21, 2004.

Statement of Answer filed by Respondent on or about: August 13, 2004.

Respondent signed the Uniform Submission Agreement: August 12, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: failure to pay promissory note.

Unless specifically admitted in his Answer, Respondent denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$1,201,181.00, interest in the amount of \$30,936.12 accrued during the term of the Note at the rate of 6.62% per annum, plus interest at the rate of 6.62% per annum (\$217.86 per day) since November 7, 2000, until paid in full, costs, attorneys' fees, and any and all further relief that the Panel deems just and proper.

Respondent requested that an award be entered in his favor upon the claim, that should the Panel award any amount to Claimant, such amount be set off in its entirety by amounts owed to the Respondent, costs, including reasonable attorneys' fees, and such further relief as is warranted in equity and good conscience.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Respondent is liable for and shall pay to Claimant \$1,201,181.00 in compensatory damages.
2. 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	= \$ 2,000.00
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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 person at the time of the events giving rise to the dispute. In this matter, Morgan Stanley DW Inc. is a party.

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

August 2-4, 2005, settlement by the parties	= \$ 300.00
Claimant's share	= \$ 150.00
Respondent's share	= \$ 150.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: June 23, 2005 1 session	
(2) Pre-hearing conference sessions with the Panel @ \$ 1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: October 26, 2004 1 session	
February 3, 2006 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,850.00

1. The Panel has assessed \$1,425.00 of the forum fees to Claimant.
2. The Panel has assessed \$1,425.00 of the forum fees to Respondent.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 2,000.00
Member Fees	= \$ 8,550.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$ 1,425.00</u>
Total Fees	= \$12,125.00
<u>Less payments</u>	<u>= \$11,750.00</u>
Balance Due NASD Dispute Resolution	= \$ 375.00
2. Respondent is solely liable for:	
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$ 1,425.00</u>
Total Fees	= \$ 1,575.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,575.00

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

ARBITRATION PANEL

Thomas L. Kennedy, CPA	-	Public Arbitrator, Presiding Chair
Richard D. Levin	-	Public Arbitrator
Dallas W. Coffman	-	Non-Public Arbitrator

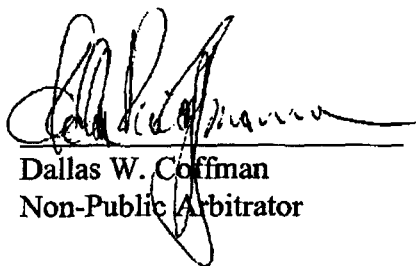
Concurring Arbitrators' Signatures

Thomas L. Kennedy, CPA
Non-Public Arbitrator, Presiding Chair

Signature Date

Richard D. Levin
Non-Public Arbitrator

Signature Date



Dallas W. Coffman
Non-Public Arbitrator

May 4, 2006
Signature Date

May 15, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

Thomas L. Kennedy, CPA	-	Public Arbitrator, Presiding Chair
Richard D. Levin	-	Public Arbitrator
Dallas W. Coffman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas L. Kennedy, CPA
Non-Public Arbitrator, Presiding Chair

Signature Date

Richard D. Levin
Non-Public Arbitrator

5/8/06
Signature Date

Dallas W. Coffman
Non-Public Arbitrator

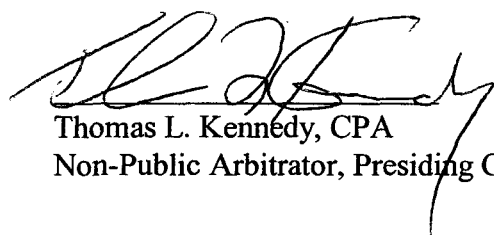
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