

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Roger Alan Keats

and

04-05868
Chicago, Illinois

Name of Respondents

Morgan Stanley DW Inc.
Rebecca Rogers Stilwell

Nature of the Dispute: Associated Person vs. Member; Associated Person.

REPRESENTATION OF PARTIES

Roger Alan Keats ("Claimant") appeared *pro se*.

Morgan Stanley DW Inc. ("Respondent MSDW") and Rebecca Rogers Stilwell ("Respondent Stilwell") hereinafter referred to as ("Respondents") were represented by Gary M. Saretsky, Esq. and Eric A. Michaels, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about August 19, 2004. Amended Statement of Claim was filed on or about November 5, 2004. Roger Alan Keats' Response to Rebecca Rogers Stilwell and Morgan Stanley's Answer was filed on or about November 8, 2004. Claimants Answer, Stilwell and Morgan Stanley's Affirmative Defenses and Motion to Dismiss was filed on or about January 6, 2005. Submission Agreement of Claimant Roger Alan Keats was signed on August 26, 2004.

Rebecca Rogers Stilwell's Answer, Affirmative Defenses and Motion to Dismiss was filed on or about October 27, 2004. Submission Agreement of Respondent Rebecca Rogers Stilwell was signed on January 24, 2005.

Respondents' Answer, Affirmative Defenses and Motion to Dismiss Roger Alan Keats' Amended Statement of Claim was filed on or about December 21, 2004. Submission Agreement of Respondent Morgan Stanley DW Inc. was signed on February 1, 2005.

CASE SUMMARY

In his Arbitration Brief, Claimant stated:

The Arbitration is because Keats was dismissed as a Financial Advisor and that is where MSDW did not act appropriately. Other issues were libeling Claimant by placing incorrect information on his U-5, retribution dismissal of Keats for refusing to tell his Branch things that were not true and asking hard questions, criminal use by MSDW of Keats' credit card after he was dismissed, refusal to reimburse Keats for undisputed business expenses for thirteen (13 months, attempted intimidation of Keats to try to force his resignation to avoid having to prove real grounds for dismissal and refusing to grant COBRA health insurance to a schizophrenic.

Respondents denied the allegations set forth in the Statement of Claim. In their Arbitration Brief, Respondents specifically stated:

Claimant, Roger Keats ("Keats"), was formally an at will employee at Morgan Stanley, serving as a branch office manager and registered representative. On may 4, 2004, Morgan Stanley terminated Keats because he breached his fiduciary duties to the firm by encouraging Morgan Stanley employees he supervised to consider leaving Morgan Stanley for a competitor. Thus, Morgan Stanley had no effective choice but to terminate Keats' employment. Keats' precise misconduct, while interesting perhaps, is of no legal moment inasmuch as Keats was an at-will employee, i.e. he could be terminated at any time, with or without cause. Therefore, Keats' complaint is void of merit.

Stilwell was Keats' supervisor and had the unfortunate responsibility of informing Keats he was terminated. Stilwell was not Keats' "employer" (Morgan Stanley was), and presumably, Keats, originally included Stilwell as the only named respondent out of revenge or spite. Keats' personal attacks against Stilwell regrettably permeate this entire action. Keats ultimately amended his Statement of Claim to add Morgan Stanley as a respondent. The addition of Morgan Stanley as a respondent does nothing to bolster Keats' meritless claims or cure the legal and factual defects pervasive throughout his filing.

RELIEF REQUESTED

Claimant requested an award as follows:

1. An award of fees associated with this action;
2. That his U-5/U-4 be corrected to remove the defamatory statement concerning his inappropriate and discriminatory dismissal;
3. Damages of \$1,500,000.00, a very conservative estimate of what he would have earned at Morgan Stanley if he had remained employed there and voluntarily retired at age 65;

4. That his schizophrenic dependent be allowed to maintain COBRA health insurance for 29 months (Morgan Stanley's usual time frame for disabled individuals);
5. Stilwell's U-4 be amended to state she knowingly put incorrect information on an FAs U-5/U-4; Stilwell directed a Morgan Stanley Branch Manager to knowingly mislead FAs in his Branch concerning their compensation; Stilwell used her ability to damage a person's career by putting derogatory information on their U-4 as intimidation and a threat; Stilwell sought retribution by withholding pay and reimbursements due; Caused fraud by allowing Morgan Stanley expenses to be placed on the credit card of a former employee; and when caught using inaccurate information and intimidation to damage the career of a loyal employee, refused to correct her own errors.

Respondents requested that Keats' Amended Statement of Claim be dismissed in its entirety, and that they be awarded the costs and attorney fees associated with defending this action.

OTHER ISSUES CONSIDERED & DECIDED

At the conclusion of Claimant's case in chief, Respondents asserted a Motion to Dismiss. The Panel heard argument on the Motion and adjourned for an executive session. After considering the pleadings, the evidence presented and the arguments of the parties, the Arbitration Panel grants the Motion to Dismiss.

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. In either case, 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

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Motion to Dismiss is granted, all claims asserted in this matter are dismissed.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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

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(s) is Morgan Stanley DW Inc.

Member surcharge	\$	2,800.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	5,000.00
Total Member Fees	\$	<u>8,550.00</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:

2	Pre-hearing session(s) with Panel	x	1,200.00	\$	2,400.00
	January 31, 2005	1	session		
	July 20, 2005	1	session		
5	Hearing sessions	x	1,200.00	\$	6,000.00
	July 26, 2005	2	sessions		
	July 27, 2005	2	sessions		
	July 28, 2005	1	session		
	Total Forum Fees			\$	<u>8,400.00</u>

The Arbitration Panel has assessed \$8,400.00 of the forum fees to Roger Alan Keats.

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 Arbitration No. 04-05868
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Fee Summary

Claimant, Roger Alan Keats, is liable for:

Initial Filing Fee	= \$	500.00
<u>Forum Fees</u>	= \$	8,400.00
Total Fees	= \$	8,900.00
<u>Less payments</u>	= \$	-1,250.00
Balance Due NASD Dispute Resolution	= \$	7,650.00

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

Member Fees	= \$	8,550.00
-Total Fees	= \$	8,550.00
<u>Less payments</u>	= \$	-4,450.00
Balance Due NASD Dispute Resolution	= \$	4,100.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Beryl A. Birndorf, Esq. - Public Arbitrator, Presiding Chair
 Theodore W. Wroblewski, Esq. - Public Arbitrator
 Robert A. Vallone - Non-Public Arbitrator

Concurring Arbitrators:

Beryl A. Birndorf
 Beryl A. Birndorf, Esq.
 Public Arbitrator, Presiding Chair

7/28/05
 Signature Date

Theodore W. Wroblewski, Esq.
 Theodore W. Wroblewski, Esq.
 Public Arbitrator

Signature Date

Robert A. Vallone
 Robert A. Vallone
 Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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NASD

NASD Dispute Resolution
 Arbitration No. 04-05868
 Award Page 5 of 5

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 Robert A. Vallone - Non-Public Arbitrator

Concurring Arbitrators:

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 Public Arbitrator, Presiding Chair

Theodore W. Wroblecki, Esq.
 Public Arbitrator

Robert A. Vallone
 Non-Public Arbitrator

Signature Date

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 Signature Date

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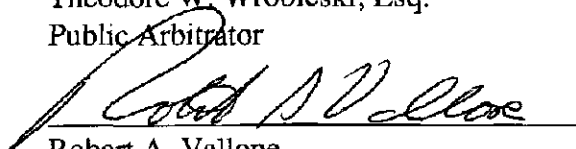
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Robert A. Vallone - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Beryl A. Birndorf
Beryl A. Birndorf, Esq.
Public Arbitrator, Presiding Chair

July 28, 2005
Signature Date

/s/ Theodore W. Wroblewski
Theodore W. Wroblewski, Esq.
Public Arbitrator

July 28, 2005
Signature Date

/s/ Robert A. Vallone
Robert A. Vallone
Non-Public Arbitrator

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