

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Charles T. Torrissi (Claimant) vs. Morgan Stanley DW Inc. and David Polifroni (Respondents)

Case Number: 04-07704

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Charles T. Torrissi hereinafter referred to as "Claimant": Brian Guillorn, Esq., Napoli Kaiser & Bern LLP, New York, NY.

Respondents Morgan Stanley DW Inc. ("Morgan Stanley") and David Polifroni ("Polifroni") hereinafter collectively referred to as "Respondents": Susan Poder MacFarlane, Esq., Morgan Stanley DW Inc., Purchase, NY. Previously represented by Zaharah R. Markoe, Esq., Kobre & Kim, LLP, New York, NY. Previously represented by Dina A. DeFalco, Morgan Stanley DW Inc., Purchase, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 2, 2004.

Claimant signed the Uniform Submission Agreement: December 2, 2004.

Joint Statement of Answer filed by Respondents on or about: January 10, 2005.

Morgan Stanley signed the Uniform Submission Agreement: December 29, 2004.

Polifroni signed the Uniform Submission Agreement: January 3, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, suitability, misrepresentations, and omissions.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$250,000.00, punitive damages in the amount of \$750,000.00, costs, disbursements, and attorneys' fees.

Respondents requested dismissal of the Statement of Claim in its entirety, expungement of this matter from Respondent Polifroni's CRD records, costs, expenses, and other relief that is just and proper.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Morgan Stanley is liable for and shall pay to Claimant compensatory damages in the amount of \$92,650.00.
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	= \$ 375.00
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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. Accordingly, Morgan Stanley DW Inc. is a party.

Member Surcharge	= \$ 2,250.00
Pre-hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 11-14, 2005 joint request for adjournment

Claimant's share	= Waived
Respondents' share joint and several	= Waived

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: July 22, 2005 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,200.00/session	= \$ 2,400.00

Pre-hearing conferences:	March 23, 2005	1 session
	October 7, 2005	1 session

Five (5) Hearing sessions @ \$1,200.00/session = \$ 6,000.00

Hearing Date:	March 20, 2006	2 sessions
	March 21, 2006	2 sessions
	March 22, 2006	1 session

Total Forum Fees	= \$ 8,850.00
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1. The Panel has assessed \$4,425.00 of the forum fees to Claimant.
2. The Panel has assessed \$4,425.00 of the forum fees to Respondent Morgan Stanley.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 375.00

Forum Fees = \$ 4,425.00

Total Fees		= \$ 4,800.00
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Less payments _____ = \$ 1,575.00

Balance Due NASD Dispute Resolution	= \$ 3,225.00
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2. Respondent Morgan Stanley is solely liable for:

Member Fees	= \$ 7,000.00
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Forum Fees = \$ 4,425.00

Total Fees	= \$ 11,425.00
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Less payments = \$ 7,000.00

Balance Due NASD Dispute Resolution	= \$ 4,425.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

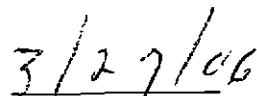
Beatrice Shainswit, Esq.	-	Public Arbitrator, Presiding Chairperson
Roger L. Gavan	-	Public Arbitrator
Mary L. Merkle	-	Non-Public Arbitrator

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.



Beatrice Shainswit, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Roger L. Gavan
Public Arbitrator

Signature Date

Mary L. Merkle
Non- Public Arbitrator

Signature Date

March 30, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

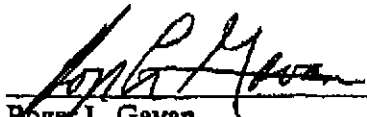
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Beatrice Shainswit, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Roger L. Gavan
Public Arbitrator

03-23-06

Signature Date

Mary L. Merkle
Non- Public Arbitrator

Signature Date

March 30, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Beatrice Shainswit, Esq.	-	Public Arbitrator, Presiding Chairperson
Roger L. Gavan	-	Public Arbitrator
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Concurring Arbitrators' Signatures

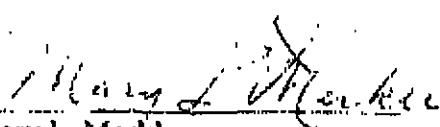
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Beatrice Shainswit, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Roger L. Gavan
Public Arbitrator

Signature Date



Mary L. Merkle
Non-Public Arbitrator

3/25/06

Signature Date

March 30, 2006

Date of Service (For NASD Dispute Resolution use only)