

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Annette Gabrielle Villari
Annette Gabrielle Villari, daughter

Case Number: 04-07750

Names of the Respondents

Morgan Stanley DW, Inc.
Anthony E. Filippello

Hearing Site: Philadelphia, PA

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

REPRESENTATION OF PARTIES

Claimants, Annette Gabrielle Villari and Annette Gabrielle Villari, daughter, hereinafter collectively referred to as "Claimants", were represented by Mark Thomas Sophocles, Esq., Mark Thomas Sophocles, LLC, Paoli, Pennsylvania.

Respondents, Morgan Stanley DW, Inc., ("Morgan Stanley"), and Anthony E. Filippello ("Filippello"), hereinafter collectively referred to as "Respondents", were represented by Joseph J. Gleason, Esq., Alston & Bird, LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on November 8, 2004.

Claimants signed the Uniform Submission Agreements on November 4, 2004.

Statement of Answer filed by Respondents on March 28, 2005.

Respondent Morgan Stanley did not file a Uniform Submission Agreement with NASD Dispute Resolution.

Respondent Filippello did not file a Uniform Submission Agreement with NASD Dispute Resolution.

Motion to Amend Statement of Claim filed by Claimants on April 5, 2006.

Respondents filed an Opposition to Claimants' Motion to Amend Statement of Claim on April 20, 2006.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action, among others: breach of fiduciary duties, breach of contract, failure to supervise, unauthorized trading, misrepresentations, churning, negligence, suitability, and manipulations. The causes of action relate to the handling of Claimants' accounts by Respondents.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, authorization, ratification, estoppel, and failure to mitigate damages.

RELIEF REQUESTED

Claimants in the Statement of Claim requested:

Compensatory Damages	\$ 100,100.00
Punitive Damages	\$ 200,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents, in the Statement of Answer, requested that the Statement of Claim be dismissed with prejudice and that they be awarded costs and expenses of this arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Morgan Stanley and Filippello did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

At the hearings on the merits, the Panel granted Claimants' Motion to Amend Statement of Claim.

At the hearing on the merits, Respondents made an oral Motion to Dismiss. The Panel denied the motion.

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

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 are jointly and severally liable to and shall pay to Claimants the sum of \$18,000.00 in compensatory damages. No interest is awarded on this amount;
2. The parties shall bear their respective costs, except as Fees are specifically addressed below;
and

3. Any and all relief not specifically addressed herein, including punitive 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 = \$ 300.00

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	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 7-9, 2005, adjournment requested by Claimant waived

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 session with the Panel @ \$ 1,125.00	= \$ 1,125.00
Pre-hearing conference: May 17, 2005 1 session	

Six (6) Hearing sessions @ \$ 1,125.00	= \$ 6,750.00
Hearing Dates: May 1, 2006 2 sessions	
May 2, 2006 2 sessions	
May 3, 2006 2 sessions	

Total Forum Fees	= \$ 7,875.00
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1. The Panel has assessed \$ 3,937.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 3,937.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:	
Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 4,237.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 2,812.50
2. Respondent Morgan Stanley is assessed and shall pay:	
Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents are jointly and severally assessed and shall pay:	
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 3,937.50
Less payments	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 3,187.50

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

ARBITRATION PANEL

Donald S. Bauman, Esq.	-	Public Arbitrator, Presiding Chairperson
Marilyn Chin	-	Public Arbitrator, Panelist
Walter W. Jensen	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Donald S. Bauman

Donald S. Bauman, Esq.
Public Arbitrator, Presiding Chairperson

5-4-2006

Signature Date

Marilyn Chin
Public Arbitrator, Panelist

Signature Date

Walter W. Jensen
Non-Public Arbitrator, Panelist

Signature Date

May 9, 2006

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

Concurring Arbitrators' Signatures

Donald S. Bauman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



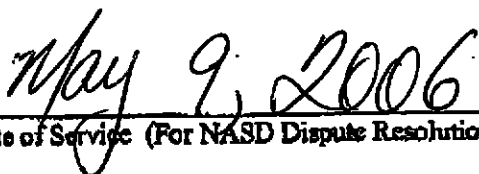
Marilyn Chin
Public Arbitrator, Panelist



Signature Date

Walter W. Jensen
Non-Public Arbitrator, Panelist

Signature Date



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Concurring Arbitrators' Signatures

Donald S. Bauman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Marilyn Chin
Public Arbitrator, Panelist

Signature Date


Walter W. Jensen
Non-Public Arbitrator, Panelist

5/09/06
Signature Date

May 9, 2006
Date of Service (For NASD Dispute Resolution office use only)