

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Morgan Stanley DW, Inc.

Case Number: 04-08230

Names of the Respondents

Wachovia Securities, LLC

Steven W. Glasgow

Kim A. Richardson

Hearing Site: Nashville, Tennessee

Nature of the Dispute: Member vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimant, Morgan Stanley DW, Inc., hereinafter referred to as "Claimant", was represented by Salvador M. Hernandez, Esq., Bowen Riley Warnock & Jacobson, PLC, Nashville, Tennessee.

Respondents, Wachovia Securities, LLC ("Wachovia"), Steven W. Glasgow ("Glasgow") and Kim A. Richardson ("Richardson"), hereinafter collectively referred to as "Respondents", were represented by Leonard Weintraub, Esq., Paduano & Weintraub, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on December 2, 2004.

First Amended Statement of Claim filed on February 11, 2005.

A representative of Claimant executed the Uniform Submission Agreement on February 17, 2005.

Statement of Answer filed by Respondents on April 5, 2005.

A representative of Respondent Wachovia signed the Uniform Submission Agreement on April 11, 2005.

Respondent Glasgow signed the Uniform Submission Agreement on April 5, 2005.

Respondent Richardson signed the Uniform Submission Agreement on April 5, 2005.

CASE SUMMARY

In the Statement of Claim, Claimant asserted causes of action for breach of contract and unfair competition. The cause of action relates to an employment agreement entered into between Claimant and 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; Statement of Claim is barred by the doctrines of estoppel, laches, ratification and waiver; contributory negligence; unclean hands; and Claimant is precluded from any recovery because the purported agreements are void and unenforceable.

RELIEF REQUESTED

Claimant requested an unspecified amount of compensatory damages, treble damages, attorneys' fees in the amount of \$50,000.00, and interest.

Respondents requested that an award be entered declaring that Respondents are not liable to Claimant in any respect, and that any agreement signed by the individual respondents for the benefit of Claimant is void, and for any other relief the Arbitration Panel (the "Panel") deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

This case was originally filed with NASD Dispute Resolution seeking injunctive relief pursuant to NASD Code of Arbitration Procedure Rule 10335. On December 30, 2004, the parties agreed to proceed with a regular arbitration of the case pursuant to NASD Code of Arbitration Procedure Rule 10314.

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. Respondent Wachovia is liable to and shall pay to Claimant the sum of \$31,563.00 in compensatory damages. No interest is awarded on this amount;
2. Respondent Wachovia is ordered to return all Morgan Stanley Dean Witter Inc. customer statements in its possession dated March 2000 through May 2005 to Claimant within thirty (30) days of this Award;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
4. 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 = \$ 500.00

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, Claimant and Respondent Wachovia are parties.

Morgan Stanley DW, Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Wachovia Securities, LLC.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

1. Respondent Morgan Stanley is assessed:

Injunctive relief surcharge	= \$ 2,500.00
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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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 1,350.00
Pre-hearing conferences:	
September 7, 2005	1 session
September 27, 2005	1 session
October 12, 2005	1 session

Three (3) Pre-hearing session with Panel @ \$ 1,000.00	= \$ 3,000.00
Pre-hearing conference:	
April 12, 2005	1 session
November 16, 2005	1 session
December 28, 2005	1 session

Thirteen (13) Hearing sessions @ \$ 1,000.00	= \$ 13,000.00
Hearing Dates:	
October 18, 2005	2 sessions

October 19, 2005	2 sessions	
October 20, 2005	2 sessions	
December 20, 2005	2 sessions	
December 21, 2005	3 sessions	
February 3, 2006	2 sessions	
<hr/> Total Forum Fees		= \$ 17,350.00

The Panel has assessed \$17,350.00 of the forum fees to Respondent Wachovia.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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|----------------------------------|------|-------|
| 1. Claimant, copies of documents | = \$ | 19.00 |
|----------------------------------|------|-------|

Fee Summary

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|---|------|-----------|
| 1. Claimant is assessed and shall pay: | | |
| Initial Filing Fee | = \$ | 500.00 |
| Member Fees | = \$ | 4,450.00 |
| Injunctive Relief Fees | = \$ | 2,500.00 |
| Administrative Costs | = \$ | 19.00 |
| Total Fees | = \$ | 7,469.00 |
| Less payments | = \$ | 8,469.00 |
| Refund Returned to CRD Account | = \$ | 1,000.00 |
| 2. Respondent Wachovia is assessed and shall pay: | | |
| Member Fees | = \$ | 4,450.00 |
| Forum Fees | = \$ | 17,350.00 |
| Total Fees | = \$ | 21,800.00 |
| Less payments | = \$ | 3,690.00 |
| Balance Due NASD Dispute Resolution | = \$ | 18,110.00 |

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

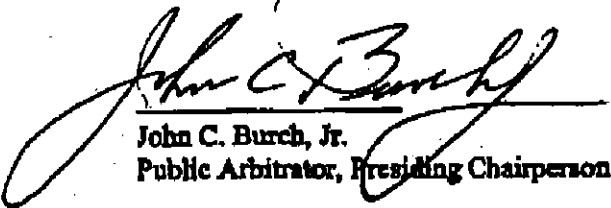
ARBITRATION PANEL

- | | | |
|------------------------|---|--|
| John C. Burch, Jr. | - | Public Arbitrator, Presiding Chairperson |
| Sandra J. Bakalus | - | Public Arbitrator, Panelist |
| Kenneth George Mueller | - | Non-Public Arbitrator, Panelist |

Arbitration No. 04-08230

Award Page 1

Concurring Arbitrators' Signatures


John C. Burch, Jr.
Public Arbitrator, Presiding Chairperson

2/7/06
Signature Date

Sandra J. Bakalus
Public Arbitrator, Panelist

Kenneth George Mueller
Non-Public Arbitrator, Panelist

February 7, 2006
Date of Service (For NASD Dispute Resolution office use only)

Arbitration No. 04-08230

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Concurring Arbitrators' Signatures

John C. Enoch, Jr.

Public Arbitrator, Presiding Chairperson

Signature Date

Sandra J. Bakalus

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Public Arbitrator, Panelist

2/7/06
Signature Date

Kenneth George Mueller

Non-Public Arbitrator, Panelist

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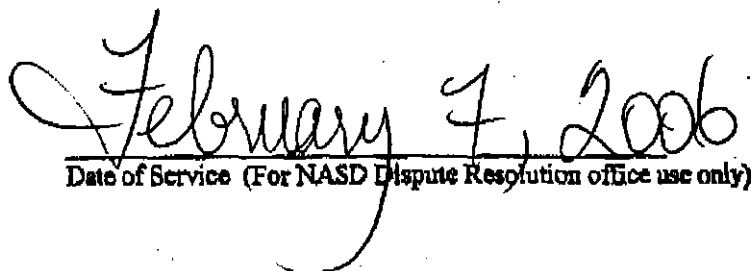
Sandra J. Bekalus
Public Arbitrator, Panelist

Signature Date


Kenneth George Mueller
Non-Public Arbitrator, Panelist

02-07-2006

Signature Date


February 7, 2006
Date of Service (For NASD Dispute Resolution office use only)