

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 05-00387

Floyd E. Griffin
Carolyn F. Griffin

Names of the Respondents

Hearing Site: Charlotte, North Carolina

Morgan Stanley DW Inc.
Charles Carl Stoner
Eileen Therese Stoner

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

REPRESENTATION OF PARTIES

Claimants Floyd E. Griffin and Carolyn F. Griffin, hereinafter collectively referred to as "Claimants", were represented by William B.L. Little, Esq., Little & Little, PLLC, Raleigh, North Carolina.

Respondent Morgan Stanley DW Inc. ("Morgan Stanley") was represented by Marianne Yen, Esq., Morgan Stanley DW Inc., Purchase, New York.

Respondents Charles Carl Stoner and Eileen Therese Stoner, hereinafter collectively referred to as "Stoner Respondents", were represented by James F. McLaughlin, Jr., Esq., Moore & Van Allen, PLC, Charlotte, North Carolina.

CASE INFORMATION

Statement of Claim filed on January 25, 2005.

Amended Statement of Claim filed on April 22, 2005.

Claimants signed the Uniform Submission Agreement on January 25, 2005.

Statement of Answer filed by Respondents on March 17, 2005.

Amended Statement of Answer filed by Respondents on May 3, 2005.

Respondent Charles Carl Stone signed the Uniform Submission Agreement on April 20, 2005.

Respondent Eileen Therese Stoner signed the Uniform Submission Agreement on April 19, 2005.

A representative of Respondent Morgan Stanley executed the Uniform Submission Agreement on March 17, 2005.

CASE SUMMARY

Claimants asserted the following causes of action, among others: common law actual fraud, fraudulent concealment, fraudulent misrepresentation, common law constructive fraud, breach of fiduciary duty, negligence, gross negligence, common law negligent misrepresentation, breach of contract, failure to supervise, and violation of the anti-fraud provisions of the North Carolina Securities Act. The causes of action relate to class B mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants authorized all transactions, waiver, ratification, estoppel, assumption of risk, contributory/comparative negligence, failure to mitigate, and Respondent Morgan Stanley had adequate supervisory procedures in place.

RELIEF REQUESTED

Claimants requested damages in excess of \$200,000.00, interest, punitive damages, attorneys' fees, and costs.

Respondents in their Statement of Answer requested that the Panel dismiss the Statement of Claim, recommend the expungement of Stoner Respondents' registration records, and award all costs and expenses incurred in the defense of this claim.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants made a motion for sanctions for alleged discovery abuses. Said motion is denied.

Stoner Respondents made a motion for costs for Counsel for Claimants alleged unnecessarily long presentation of Claimants' case. Said motion is denied.

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 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 compensatory damages of \$1,500.00 (fifteen hundred dollars and no cents);
2. The parties shall bear their respective costs, including attorneys' fees, 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 firms that employed the associated persons 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
Total Member Fees	= \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 1-4, 2005 adjournment requested by Claimants = \$ 1,125.00

1. The Panel has assessed \$1,125.00 of the adjournment fees to Claimants.

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 20, 2005	1 session
	September 26, 2005	1 session
	January 11, 2006	1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00

Pre-hearing conference:	July 13, 2005	1 session
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Thirteen (13) Hearing sessions @ \$1,125.00 = \$14,625.00

Hearing Dates:	February 13, 2006	2 sessions
	February 14, 2006	2 sessions
	February 15, 2006	2 sessions
	February 16, 2006	2 sessions

March 14, 2006	2 sessions
March 15, 2006	2 sessions
March 16, 2006	1 session

Total Forum Fees = \$17,100.00

1. The Panel has assessed \$8,550.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$4,275.00 of the forum fees to Respondent Morgan Stanley
3. The Panel has assessed \$4,275.00 of the forum fees jointly and severally to Stoner Respondents.

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.

1. Stoner Respondents requested copies of tapes = \$ 30.00

FEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 8,550.00
Total Fees	= \$ 9,975.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 8,550.00

2. Respondent Morgan Stanley is assessed and shall pay the following fees:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 4,275.00
Total Fees	= \$ 9,475.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 4,275.00

3. Stoner Respondents are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$ 4,275.00
Administrative Costs	= \$ 30.00
Total Fees	= \$ 4,305.00
Less payments	= \$ 30.00
Balance Due NASD Dispute Resolution	= \$ 4,275.00

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

ARBITRATION PANEL

Patricia A. Lambright, Esq.
Joe Carroll Thomas, M.S.
Thomas Lee Eubanks, CFP

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Patricia A. Lambright
Patricia A. Lambright, Esq.
Public Arbitrator, Presiding Chairperson

21 March 2006
Signature Date

Joe Carroll Thomas, M.S.
Public Arbitrator, Panelist

Signature Date

Thomas Lee Eubanks, CFP
Non-Public Arbitrator, Panelist

Signature Date

March 22, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Patricia A. Lambright, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joe Carroll Thomas, M.S.
Public Arbitrator, Panelist

J. Carroll Thomas / 3/22/06

Signature Date

Thomas Lee Eubanks, CFP
Non-Public Arbitrator, Panelist

Signature Date

March 22, 2006
Date of Service (For NASD Dispute Resolution office use only)


Concurring Arbitrators' Signatures

Patricia A. Lambricht, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joe Carroll Thomas, M.S.
Public Arbitrator, Panelist

Signature Date



Thomas Lee Eubanks, CFP
Non-Public Arbitrator, Panelist

3/21/06

Signature Date

March 22, 2006