

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of Claimants

Mack D. Yoakum and Vermell Yoakum

and

Case Number: 05-00667
Hearing Site: Houston, Texas

Names of Respondents

Morgan Stanley DW, Inc.
and Constance Carpeno Paddock

NATURE OF DISPUTE

Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

Mack D. and Vermell Yoakum, hereinafter collectively referred to as "Claimants," were represented by Donald M. Feferman, Esq., Corpus Christi, Texas.

Morgan Stanley DW, Inc. ("Morgan Stanley") was represented by John J. Reilly, Esq., Holland & Knight LLP, New York, New York.

Constance Carpeno Paddock ("Carpeno") was represented by Jack D. Ballard, Esq., The Ballard Law Firm, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about February 7, 2005. Claimants signed the Uniform Submission Agreement on or about January 19, 2005.

Respondents' Joint Answer and Affirmative Defenses was filed on or about May 17, 2005. Respondent, Morgan Stanley, did not file a Uniform Submission Agreement. Respondent Carpeno did not file a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: fraud, violation of the Texas Securities Act, violation of the Texas Deceptive Trade Practices Act, breach of fiduciary duty, failure to supervise, breach of contract, and negligence in rendering brokerage and financial services. Claimants alleged that Respondents recommended unspecified

securities that were unsuitable for their investment objectives, which led to losses in their account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: (i) to the extent Claimants incurred any damages, any such damages were attributable to superseding and intervening causes and were not caused by the actions of Respondents or their agents or employees; (ii) adequate supervisory procedures were in place and were reasonably and diligently implemented; (iii) estoppel; (iv) ratification; (v) Respondents at all times fully and appropriately performed their duties with respect to Claimants' accounts; (vi) Respondents did not handle Claimants' account negligently; (vii) transactions were suitable and consistent with Claimants' investment objectives and financial goals; (viii) transactions were effectuated with Claimants' full knowledge and consent; (ix) failure to mitigate; (x) Respondents never misrepresented or omitted any material facts; (xi) Respondents did not act with any intent to defraud Claimants or with willful disregard of Claimants' rights; and (xii) acts and omissions of Claimants caused the alleged damages, if any.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary/Non-Monetary Relief, if any:	Unspecified

Respondents requested that the claims asserted against them be dismissed in all respects and that they be awarded costs and expenses related to the arbitration. Respondents further request the expungement of Claimants' complaint from the Central Registration Depository ("CRD") record of Constance Carpeno Paddock.

OTHER ISSUES CONSIDERED AND DECIDED

On or about October 6, 2005, Claimants and Respondents reached an agreement to settle all claims asserted in the arbitration proceeding.

A Joint Motion to Enter Stipulated Award and Joint Request for Expungement was filed on or about October 7, 2005.

On December 19, 2005, the Panel heard oral arguments from the parties in support of the request for expungement.

Respondents, Morgan Stanley DW, Inc. & Co. and Constance Carpeno Paddock, 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, are bound by the determination of the panel on all issues

submitted.

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 remains on file with the NASD.

AWARD

Pursuant to the parties' agreement and after considering the parties' submissions and representations, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel grants the parties' Joint Motion to Enter Stipulated Award. As stipulated by the parties pursuant to their settlement agreement, all claims in this case are dismissed with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Constance Carpeno Paddock's, registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent, Constance Carpeno Paddock, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name the NASD as an additional party and serve the NASD with all appropriate documents;

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

3. Other than the NASD fees specified below, the parties shall bear their own costs and expenses, including attorneys' fees, incurred in this matter; and
4. 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 the non-refundable filing fee for each claim:
Initial claim filing fee = \$ 250.00

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, Morgan Stanley DW, Inc. & Co. is a member firm and a party in these proceedings.

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

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

The parties advised the NASD that this matter settled on October 6, 2005.

The hearing was scheduled on October 11-13, 2005. = \$ 300.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

Two (2) Pre-hearing sessions with the Panel @ \$1,000.00	= \$2,000.00
Pre-hearing conferences:	
June 1, 2005	1 session
December 19, 2005	1 session
Total Forum Fees	= \$2,000.00

The Arbitration Panel has assessed \$500.00 of the forum fees jointly and severally to Mack D. Yoakum and Vermell Yoakum.

The Arbitration Panel has assessed \$500.00 of the forum fees jointly and severally to Morgan Stanley DW, Inc. & Co. and Constance Carpeno Paddock.

The Arbitration Panel has assessed \$500.00 of the forum fees to Constance Carpeno Paddock.

Pursuant to NASD Code of Arbitration Procedure Rule 10332(f) Claimant's Hearing Deposit of \$1,000.00 is retained by NASD.

Fee Summary

Claimants, Mack D. and Vermell Yoakum, are jointly and severally liable for:

Initial Filing Fees	= \$ 250.00
Three-Day Cancellation Fee	= \$ 150.00

Retention of Hearing Deposit	= \$ 500.00
Forum Fees	= \$ 500.00
Total Fees	= \$1,400.00
Less payments	= \$1,250.00
Balance Due NASD Dispute Resolution	= \$ 150.00

Respondent, Morgan Stanley, is solely liable for:

Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Morgan Stanley and Constance Carpeno Paddock, are jointly and severally liable for:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 650.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 650.00

Respondent, Constance Carpeno Paddock, is liable for:

Forum Fees	= \$1,000.00
Total Fees	= \$1,000.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,000.00

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

ARBITRATION PANEL

John K. Boyce, III, Esq. – Public Arbitrator, Presiding Chairperson
Daniel J. Pagnano, Esq. – Public Arbitrator
Larry J. Sklar – Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ John K. Boyce, III, Esq.
John K. Boyce, III, Esq.
Public Arbitrator, Presiding Chairperson

12/23/05
Signature Date

/s/ Daniel J. Pagnano, Esq.
Daniel J. Pagnano, Esq.
Public Arbitrator

01/02/06
Signature Date

/s/ Larry J. Sklar
Larry J. Sklar
Non-Public Arbitrator


12/29/05
Signature Date

12/29/05
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

John K. Boyce, III, Esq. – Public Arbitrator, Presiding Chairperson
Daniel J. Pagnano, Esq. – Public Arbitrator
Larry J. Sklar – Non-Public Arbitrator

Concurring Arbitrators' Signatures



John K. Boyce, III, Esq.
Public Arbitrator, Presiding Chairperson

December 23, 2015

Signature Date

Daniel J. Pagnano, Esq.
Public Arbitrator

Signature Date

Larry J. Sklar
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

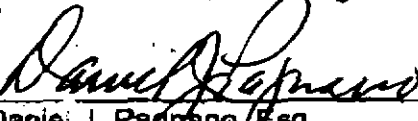
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Public Arbitrator



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Non-Public Arbitrator

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