

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Carole Bebout, individually,
as Trustee/Beneficiary of the
Carole Bebout IRA Rollover

Case Number: 05-06509

Name of the Respondent
Morgan Stanley Dean Witter, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Carole Bebout, individually, as Trustee/Beneficiary of the Carole Bebout IRA Rollover ("Bebout"), hereinafter referred to as "Claimant": Robert Wayne Pearce, Esq., The Law Offices of Robert Wayne Pearce, P.A., Boca Raton, Florida.

For Morgan Stanley Dean Witter, Inc. ("MSDW"), hereinafter referred to as Respondent: Doreen S. Young, Vice President, Morgan Stanley DW, Inc., Tampa, Florida

CASE INFORMATION

Statement of Claim filed on or about: November 30, 2005.
Claimant signed the Uniform Submission Agreement on: November 30, 2005.
Statement of Answer filed by Respondent on or about: February 17, 2006.
Respondent signed the Uniform Submission Agreement on: February 17, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: 1) common law fraud and negligent misrepresentations; 2) breach of fiduciary duty and unsuitability; 3) negligence; and, 4) breach of contract. The causes of action relate to Claimant's investment in mutual funds, namely: MSDW Information Fund B, MSDW Financial Services Trust B, MSDW Aggressive Equity Fund B, MSDW 21st Century Trend Fund B, MSDW American Opportunities Fund B, MSDW Select Equity Trust /High-Tech 35 Index, MSDW Technology Fund, and Van Kampen Select Growth Fund B.

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

RELIEF REQUESTED

Claimant requested: 1) compensatory damages of approximately \$90,000.00; 2) lost

profits; 3) pre-judgment interest at the legal rate; 4) an unspecified amount in punitive damages; 5) costs; and, 6) such other relief as the undersigned arbitrators (the "Panel") deem just and appropriate.

Respondent requested: 1) a dismissal of the Statement of Claim in its entirety; and, 2) judgment in its favor.

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 testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent MSDW is liable on the claims of breach of fiduciary duty and unsuitability and shall pay to Claimant the sum of \$128,580.70 representing compensatory damages plus pre-judgment interest accruing from February 1, 2006 until September 1, 2006. In addition, Respondent is liable and shall pay to Claimant costs in the total amount of \$4,875.00 comprising of \$4,650.00 in expert fees and \$225.00 representing reimbursement of the non-refundable claim-filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein including Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure ("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	= \$ 225.00
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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, Respondent MSDW is a party and member firm.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00
Total Member Fees	= \$3,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$	900.00
Pre-hearing conferences: August 4, 2006	1 session	
September 22, 2006	1 session	
One (1) Pre-hearing session with Panel @ \$750.00/session	= \$	750.00
Pre-hearing conference: April 19, 2006	1 session	
Seven (7) Hearing sessions @ \$750.00/session	= \$	5,250.00
Hearing Dates: September 27, 2006	2 sessions	
September 28, 2006	3 sessions	
September 29, 2006	2 sessions	
Total Forum Fees	= \$	6,900.00

The Panel has assessed the total forum fees of \$6,900.00 to Respondent.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$	225.00
Total Fees	= \$	225.00
Less payments	= \$	225.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent is solely liable for:

Member Fees	= \$	3,550.00
Forum Fees	= \$	6,900.00
Total Fees	= \$	10,450.00
Less payments	= \$	3,550.00
Balance Due NASD Dispute Resolution	= \$	6,900.00

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

ARBITRATION PANEL

<i>George J. Blutstein, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Hugh N. Fryer, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Jeffrey Lawrence Sarkin</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

George J. Blutstein, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Hugh N. Fryer, Esq.
Public Arbitrator

Signature Date

Jeffrey Lawrence Sarkin
Non-Public Arbitrator

Signature Date

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

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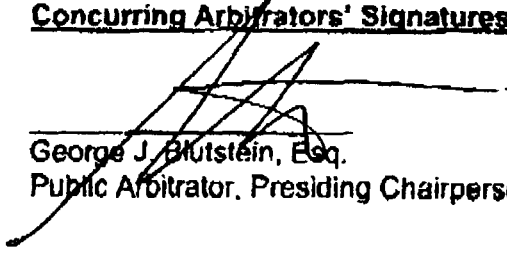
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