

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of Claimant

Morgan Stanley DW, Inc.

vs.

Case Number: 06-00053
Hearing Site: Chicago, Illinois

Name of Respondent

William Edgar Tienken

NATURE OF THE DISPUTE

Member vs. Associated Person

REPRESENTATION OF PARTIES

Morgan Stanley DW, Inc. ("Claimant" or "Morgan Stanley") was represented by Ronald P. Kane, Esq., Diane C. Fischer, Esq., and Christopher J. Moyer, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

William Edgar Tienken ("Respondent" or "Tienken") was represented by Thomas More Leinenweber, Esq., Leinenweber & Baroni, LLC, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about January 5, 2006. The Submission Agreement of Claimant, Morgan Stanley DW, Inc., was signed but not dated. Claimant filed its Response to the Counterclaim on or about April 24, 2006.

The Statement of Answer and Counterclaim was filed by Respondent, William Edgar Tienken, on or about March 13, 2006. The Submission Agreement of Respondent, William Edgar Tienken, was signed on or about February 27, 2006.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note. Claimant alleged that Respondent defaulted on his promissory note. Respondent first executed a Promissory Note (the "Note") that was effective on or about December 19, 2000, for \$280,000.00. On or about February 28, 2005, Respondent was terminated and there remained a principal balance of \$56,000.00 due and owing to Claimant. The Note further

provided that should Respondent default in the timely payment of any portion of the principal amount, Respondent is obligated to pay interest on any such outstanding amount, plus to pay any and all costs and expenses, including but without limitation to, reasonable attorneys' fees and disbursements incurred by Claimant.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following affirmative defense: Claimant is estopped from recovering on its claim.

Respondent asserted the following cause of action in the Counterclaim: breach of contract. Respondent alleged that when he was recruited by Morgan Stanley, he was promised that he would become a satellite office manager and could retain his clients, but that the rate of compensation that Respondent would be paid would be set by Morgan Stanley. Also, Respondent alleged that a promise was made that he could participate in Morgan Stanley's stock option program. Respondent alleged that Morgan Stanley materially breached the agreement.

Unless specifically admitted in its Answer to the Counterclaim, Claimant denied the allegations made in the Statement of Claim and asserted the following affirmative defense: the Counterclaim failed to state a claim upon which relief can be granted.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 56,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

In the Counterclaim, Tienken requested an award in the amount of:

Actual/Compensatory Damages	\$ 100,000.01
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

Claimant requested that the Counterclaim asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties resolved their dispute arising out of, and in connection with, the aforementioned Note by entering into a Settlement Agreement on or about October 2, 2006. Pursuant to the terms of the Settlement Agreement, this Award shall be signed by the arbitrators, but no action will be taken by Morgan Stanley to enforce the Award unless Tienken fails to comply with the payment terms of the Settlement Agreement. Should Tienken abide by the terms of the Settlement Agreement and pay Morgan Stanley the monies as agreed to, this Stipulated Award shall be deemed to be satisfied.

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 pursuant to the parties' Settlement Agreement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, William Edgar Tienken, is liable for and shall pay to Claimant, Morgan Stanley DW, Inc., the sum of \$93,700.73 in compensatory damages, plus interest at the rate of 7% per annum from December 6, 2006, to the date of payment, less any amounts paid by Tienken under the Settlement Agreement entered into between Morgan Stanley and Tienken in October 2006;
- 2.) The Counterclaim of Respondent Tienken is dismissed with prejudice;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fees for each claim:

Initial Claim filing fee = \$ 1,000.00

Counterclaim filing fee = \$ 750.00

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. In this matter, the member firm is Morgan Stanley DW, Inc.

Member surcharge = \$ 1,100.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

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:

October 3-4, 2006, settled by the parties on October 2, 2006 = \$ 300.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing 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:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00
Pre-hearing conference: May 22, 2006 1 session

Total Forum Fees = \$ 1,125.00

The Panel has assessed \$562.50 of the forum fees to Morgan Stanley DW, Inc.

The Panel has assessed \$562.50 of the forum fees to William Edgar Tienken.

FEE SUMMARY

Claimant, Morgan Stanley DW, Inc., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
Three-Day Cancellation Fee	= \$ 150.00
Retention of Hearing Session Deposit	= \$ 187.50
<u>Forum Fees</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 6,500.00

<u>Less payments</u>	= \$ 5,300.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

Respondent, William Edgar Tienken, is liable for:

Counterclaim Filing Fee	= \$ 300.00
Three-Day Cancellation Fee	= \$ 150.00
Retention of Hearing Session Deposit	= \$ 562.50
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 1,575.00
<u>Less payments</u>	= \$ 1,450.00
Balance Due NASD Dispute Resolution	= \$ 125.00

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

ARBITRATION PANEL

Charles A. Ferris - Non-Public Arbitrator, Presiding Chair
Donald R. Casper - Non-Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Charles A. Ferris
Charles A. Ferris
Non-Public Arbitrator, Presiding Chair

February 5, 2007
Signature Date

/s/ Donald R. Casper
Donald R. Casper
Non-Public Arbitrator

February 5, 2007
Signature Date

/s/ John T. Keefe
John T. Keefe
Non-Public Arbitrator

February 6, 2007
Signature Date

February 6, 2007
Date of Service (For NASD office use only)

Less payments	= \$ 5,300.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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2/5/07
Signature Date

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Signature Date

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Signature Date

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Non-Public Arbitrator

02/06/07

Signature Date

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