

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jesse L.B. Hill and Marianne Buckmeyer, Claimants v. Morgan Stanley DW Inc., John A. Bernard, and Cheryl D. Millard, Respondents

Case Number: 06-00305

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member, Non-Member, and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Jesse L.B. Hill, Esq.
Law Offices of Jesse L.B. Hill
San Luis Obispo, California

For Respondents:

Mukya S. Porter, Esq.
Morgan Stanley Law Division
San Francisco, California

CASE INFORMATION

Statement of Claim filed: January 17, 2006

Claimants' Joint Uniform Submission Agreement signed: January 12, 2006

Joint Statement of Answer filed by Respondents: February 27, 2006

Respondent Morgan Stanley DW Inc.'s Uniform Submission Agreement signed:
February 27, 2006

Respondent John A. Bernard's Uniform Submission Agreement signed: August 23,
2006

Respondent Cheryl D. Millard's Uniform Submission Agreement signed: February 12,
2006

CASE SUMMARY

Claimants alleged negligent misrepresentations and general negligence, involving the purchase of K-Mart bonds.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$18,628.15 in compensatory damages plus interest from the date of loss.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety. Respondents John A. Bernard and Cheryl D. Millard further requested expungement of all reference to the above captioned arbitration from their registration records maintained by the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

At the evidentiary hearing on August 28, 2006, Claimants dismissed Respondent Cheryl D. Millard with prejudice and stipulated to her request for expungement of her CRD record.

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

- 1) Claimants' claims are denied in their entirety.
- 2) The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent John A. Bernard's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Respondent John A. Bernard 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 NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the Arbitrator has made the following affirmative finding of fact:

The claim, allegation, or information is false.

- 3) The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Cheryl D. Millard's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Cheryl D. Millard 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 NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the Arbitrator has made the following affirmative finding of fact:

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

- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 125.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morgan Stanley DW Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 425.00
Total Member Fees	= \$ 425.00

Forum Fees and Assessments

The Arbitrator 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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing conference session with one arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: May 19, 2006 1 session	

2 Hearing sessions @ \$450.00/session	= \$ 900.00
Hearings: August 28, 2006 2 sessions	

Total Forum Fees	= \$ 1,350.00
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1. The Arbitrator assessed \$675.00 of the forum fees jointly and severally to Claimants.
2. The Arbitrator assessed \$675.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 800.00
Less payments	= \$(575.00)
Balance Due NASD Dispute Resolution	= \$ 225.00

2. Respondent Morgan Stanley DW Inc. is charged with the following fees and costs:

Member Fees	= \$ 425.00
Less payments	= \$(425.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 675.00
Less payments	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 675.00

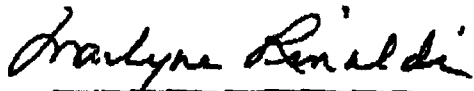
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Marlyne Rinaldi

Public Arbitrator, Presiding Chair

Arbitrator's Signature



Marlyne Rinaldi
Chair, Public Arbitrator


Signature Date


Date of Service