Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants
Myles Runsdorf
Adam Runsdorf
Cheryl Runsdorf

Case Number: 05-00295

Names of the Respondents
Morgan Stanley DW, Inc.
Walter Buhay

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Myles Runsdorf, Adam Runsdorf, and Cheryl Runsdorf, hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq., Blum, Silver & Schwartz, L.L.P., Coral Springs, Florida.

For Respondent Morgan Stanley DW, Inc. ("MSDW"): Jon A. Jacobson, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

Respondent Walter Buhay ("Buhay") appeared pro se in this matter.

CASE INFORMATION

Statement of Claim filed on or about: January 19, 2005.
Claimants signed the Uniform Submission Agreement: January 5, 2005.
Statement of Answer filed by Respondent MSDW on or about: April 18, 2005.
Respondent MSDW did not file an executed Uniform Submission Agreement.
Respondent Buhay did not file a Statement of Answer or executed Uniform Submission Agreement.
Claimants' Motion to Bar Response filed on or about: April 17, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: violation of industry rules; breach of contract; breach of fiduciary duty; churning; common law fraud; negligent hiring, retention, and supervision; and, negligence. The causes of action relate to the purchase of unspecified securities products in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the approximate amount of $408,000.00,

interest at the legal rate or a reasonable market return, rescission, punitive damages, costs, and for such other relief as is just and proper.

Respondent MSDW requested dismissal of the Statement of Claim, assessment of all forum costs against Claimants, and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about May 24, 2006, the Panel issued an order declining to rule on Claimants' Motion to Bar Response without prejudice to a renewal of the Motion during the evidentiary hearing.

At the beginning of the evidentiary hearing, Claimants advised the Panel that they had settled all of their claims asserted against Respondent MSDW.

Respondent Buhay did not appear at the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of Claimants, the Panel determined that Respondent Buhay has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent MSDW and Buhay did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and are bound by the determinations of the Panel on all issues submitted.

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings and 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 Buhay is liable on the claim of breach of fiduciary duty and shall pay to Claimants compensatory damages in the sum of $60,000.00 plus interest at the Florida legal rate accruing from March 1, 2000, until the date the Award is paid.

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

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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent MSDW is a party and a member firm.

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:

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. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Decisions on discovery-related motions on the papers with one (1) arbitrator @ $200.00 Claimant submitted two (2) discovery-related motions	= $ 400.00
Three (3) Pre-hearing sessions with a single arbitrator @ $450.00 Pre-hearing conferences: February 23, 2006 1 session	= $1,350.00

	April 7, 2006	1 session	
	April 21, 2006	1 session	
Two (2) Pre-hearing sessions with the Panel @ $1,125.00			= $2,250.00
Pre-hearing conferences:	August 2, 2005	1 session	
	May 22, 2006	1 session	
One (1) Hearing session @ $1,125.00			= $1,125.00
Hearing date:	May 31, 2006	1 session	
Total Forum Fees			= $5,125.00

The Panel has assessed forum fees of $200.00 to Claimants, jointly and severally. The Panel has assessed forum fees of $4,925.00 to Respondents MSDW and Buhay, jointly and severally.

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

Claimants are jointly and severally liable for:

Initial Filing Fee	= $ 300.00
Forum Fees	= $ 200.00
Total Fees	= $ 500.00
Less Payments	= $ 500.00
Balance Due NASD Dispute Resolution	= $ 0.00

Respondent MSDW is solely liable for:

Member Fees	= $5,200.00
Total Fees	= $5,200.00
Less payments	= $5,200.00
Balance Due NASD Dispute Resolution	= $ 0.00

Respondents MSDW and Buhay are jointly and severally solely liable for:

Forum Fees	= $4,925.00
Total Fees	= $4,925.00
Less payments	= $ 650.00
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

Laurence V. Senn	Public Arbitrator, Presiding Chairperson
Ellen J. Abrams	Public Arbitrator
Lanny M. Leff	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Laurence V. Senn
Public Arbitrator, Presiding Chairperson

Signature Date

Ellen J. Abrams
Public Arbitrator

Signature Date

/s/
Lanny M. Leff
Non-Public Arbitrator

Signature Date

June 9, 2006
Date of Service (For NASD Dispute Resolution office use only)

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Laurence V. Senn
Public Arbitrator, Presiding Chairperson

6/8/06
Signature Date

Ellen J. Abrams
Public Arbitrator

Signature Date

Lanny M. Leff
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

Ellen J. Abrams
Public Arbitrator

Signature Date

Lanny M. Leff
Non-Public Arbitrator

6/06/06
Signature Date

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