

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

By correspondence dated December 7, 2017, Claimant provided the Office of Dispute Resolution with proof that he served the customer in the underlying complaint with notice of his expungement request and notice of the customer's right to participate and testify at the expungement hearing. The customer did not participate in the expungement hearing and did not contest the request for expungement.

The Arbitrator conducted a recorded telephonic hearing on January 8, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

At the hearing, Claimant withdrew his request for \$1.00 in compensatory damages.

The Arbitrator reviewed the BrokerCheck® Report for Claimant [REDACTED] and the settlement agreement, considered the amount of payment made to the customer, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on the customer not opposing the request for expungement. The Arbitrator also noted that Claimant [REDACTED] did not contribute to the settlement amount.

The Arbitrator noted that Claimant [REDACTED] did not previously file a claim requesting expungement of the same disclosures in the CRD.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: the pleadings, Claimant's submissions, Claimant's testimony, and the Claimant's BrokerCheckReport.

AWARD

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

- 1 The Arbitrator recommends the expungement of all reference to the customer complaint (occurrence # [REDACTED]) from [REDACTED] (CRD # [REDACTED]) registration records maintained by the Central Registration Depository ("CRD"), with the understanding that, pursuant to Notice to Members 04-16, [REDACTED] must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and the claim, allegation or information is false.

The Arbitrator made the above Rule 2080 findings based on the following reasons:

After hearing his testimony and considering the documents presented, the undersigned, for reasons stated below, finds that the requirements of Rule 2080(b)(1)(A) and (C) have been met by Claimant with respect to the complaint asserted against him by the customer and recommends that it be expunged from his CRD record. The customer's complaint alleges a multi-year purchase of common stock in Transocean Corp. (RIG) was unsuitable. The customer, a retiree and experienced investor, familiar with equity investing, was referred to the Claimant in 2010. Specifically, his expressed goals were to purchase and hold dividend paying equities with potential for capital appreciation. Per his request, the Claimant recommended, and the customer purchased, well-seasoned blue chip equities paying significant dividends. One of these purchases (of some 200 shares in 2011) was RIG, a leading factor in the energy industry and a company highly rated (and considered undervalued) by the Morgan Stanley research. Due to market fluctuations in the energy sector, the market price of RIG declined over the 5 year period it was held in the customer's account. At no point did the customer convey any unhappiness with the position and in fact added to it over time. Overall, the customer's account showed positive performance. Claimant left Morgan Stanley in February 2016 for Wells Fargo. It was not until June 2016 that the customer made his complaint. The customer's complaint was settled by Morgan Stanley for \$10,000.00, or essentially the cost of defense. Claimant did not take part in the settlement, which was not conditioned on the customer's consent to expungement. The customer was apprised of this application but did not participate. The customer's complaint is the only negative mark on Claimant's CRD which has had and will have a negative impact on his business unless it is expunged. Based on the foregoing, the undersigned finds that customer's claim or allegation is clearly erroneous and false. His purchases of RIG were clearly appropriate given his investment objective and risk tolerance; RIG was essentially a core holding for a number of years; the stock was highly rated by Morgan Stanley; and any loss in the position was occasioned by neutral market forces impacting the energy sector as a whole. There being no adverse consequences on investor protection in granting the relief requested by Claimant, expungement of this record is warranted.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 50.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

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, as a party, Morgan Stanley, is assessed the following:

Member Surcharge = \$ 150.00

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$	50.00
Pre-hearing conference: August 29, 2017 1 session		
One (1) Hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing Date: January 8, 2018 1 session		
<hr/> Total Hearing Session Fees	<hr/> = \$	<hr/> 100.00

The Arbitrator has assessed the \$100.00 hearing session fees to Claimant.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATOR

Robert E. Anderson

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature

/s/ Robert E. Anderson

18 January 2018

Robert E. Anderson
Sole Public Arbitrator

Signature Date

January 19, 2018

Date of Service (For FINRA Office of Dispute Resolution office use only)