

BUSINESS

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BUSINESS BRIEFS

• LAWSUITS

Morgan Stanley to pay for ruining retirement

From Herald Staff and Wire Services

Arbitrators ordered **Morgan Stanley** to pay \$138,000 to a 73-year-old Miami doctor who claimed the firm ruined his retirement.

Harvey Blum claimed the Wall Street firm and former broker Mark Robinson cost him \$190,000 by investing his money in unsuitable investments, according to Blum's attorney Jeffrey Erez, of Sonn & Erez in Fort Lauderdale.

Blum invested \$560,000 in several mutual funds run by Morgan Stanley between 1999 and 2002. He claims the firm pushed its own in-house funds over others — by paying its brokers higher commissions on these sales — and it promoted the use of expensive, Class B shares. Class A shares, by comparison, have lower annual expenses and could have qualified for discounts on sales charges.

According to his lawsuit, Blum's portfolio was too aggressively invested for his goal of providing retirement income. National Association of Securities Dealers arbitrators sided with Blum. A Morgan Stanley spokeswoman said she was unable to comment on the decision.

— HARRIET JOHNSON BRACKEY