

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Barbara L. Smith, Claimant v. Richard Lee Tidwell and Legend Equities Corporation,
Respondents

and related Crossclaim

Case Number: 00-05146

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Mark Steven Kessler, Esq.
Law Offices of Mark Steven Kessler
Escondido, California

For Respondent Richard Lee Tidwell:

Richard Lee Tidwell
In Pro Per
Bakersfield, California

For Respondent Legend Equities Corporation:

David M. Bartholomew, Esq.
David D. Piper, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: November 13, 2000

Claimant's Uniform Submission Agreement signed: November 2, 2000

Statement of Answer and Crossclaim against Richard Lee Tidwell filed by Respondent Legend Equities Corporation: January 22, 2001

Respondent Legend Equities Corporation's Uniform Submission Agreement signed: January 18, 2001

Statement of Answer filed by Respondent Richard Lee Tidwell: January 25, 2001

Respondent Richard Lee Tidwell's Uniform Submission Agreement signed: January 22, 2001

CASE SUMMARY

Claimant alleged violations of the 1933 and 1934 Securities Exchange Act, violations of the California Corporations Code, common law fraud, breach of fiduciary duty, unfair sales practices, negligence, gross negligence, and negligent misrepresentation. The allegations arose from investment in a promissory note with Corlogic Corporation.

Respondent Richard Lee Tidwell denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondent Legend Equities Corporation denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

In its Crossclaim, Legend Equities Corporation sought indemnity against Respondent Richard Lee Tidwell.

RELIEF REQUESTED

Claimant requested no less than \$56,449.00 in compensatory damages, disgorgement of commissions and excessive compensation, interest, \$300,000.00 in punitive damages, and reimbursement of arbitration costs and attorney's fees.

Respondent Legend Equities Corporation, requested dismissal of the Claimant's Statement of Claim in its entirety.

In its Crossclaim, Legend Equities Corporation requested indemnification from Respondent Richard Lee Tidwell, and reimbursement of arbitration costs.

OTHER ISSUES CONSIDERED AND DECIDED

On August 30, 2001, the NASD Dispute Resolution, Inc. received notice from Claimant that all claims against Respondent Legend Equities Corporation were withdrawn with prejudice.

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 Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Richard Lee Tidwell is liable to and shall pay Claimant \$69,489.00 in compensatory damages.
- 2) Claimant's request for punitive damages is denied.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) Respondent Legend Equity Corporation's Crossclaim is dismissed with prejudice.
- 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, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
Respondent Legend Equities Corporation's Crossclaim	= \$ 1,000.00

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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Legend Equity Corporation is a party and also Respondent Richard L. Tidwell's former firm so the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 2,500.00</u>
Total Member Fees	= \$ 4,600.00

Forum Fees and Assessments

The Arbitrator/Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: August 30, 2001 1 session	
2 Hearing sessions @ \$1,125.00/session	= \$ 2,250.00
Hearings: November 7, 2001 2 sessions	
Total Forum Fees	= \$ 3,375.00

The Panel assessed \$3,375.00 of the forum fees to Respondent Richard Lee Tidwell.

Fee Summary

1. Claimant, Barbara L. Smith, is charged with the following fees and costs:

<u>Initial Filing Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 300.00

2. Respondent, Legend Equities Corporation, is charged with the following fees and costs:

Cross-claim Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	= \$ 4,600.00
Total Fees	= \$ 5,600.00
<u>Less payments</u>	= \$(5,725.00)
Refund Due to Legend Equities Corporation	= \$ (125.00)

3. Respondent Richard Lee Tidwell is charged with the following fees and costs:

<u>Forum Fees</u>	= \$ 3,375.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,375.00

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

ARBITRATION PANEL

<i>Royal D. Heisser</i>	-	<i>Chair, Public Arbitrator</i>
<i>Kenneth E. Alexander</i>	-	<i>Public Arbitrator</i>
<i>Jeffrey E. Skogsbergh</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Royal D. Heisser

Royal D. Heisser
Chair, Public Arbitrator

JAN 10, 2002
Signature Date

Kenneth E. Alexander
Public Arbitrator

Signature Date

Jeffrey E. Skogsbergh
Non-Public Arbitrator

Signature Date

1/11/02
Date of Service

ARBITRATION PANEL

<i>Royal D. Heisser</i>	-	<i>Chair, Public Arbitrator</i>
<i>Kenneth E. Alexander</i>	-	<i>Public Arbitrator</i>
<i>Jeffrey E. Skogsbergh</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Royal D. Heisser
Chair, Public Arbitrator

Signature Date

Kenneth E. Alexander
Public Arbitrator

Signature Date


Jeffrey E. Skogsbergh
Non-Public Arbitrator

12/10/02
Signature Date

1/11/02
Date of Service