

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Patricia Castro and
Alvaro Castro as individuals, and as
Trustees for the Castro Family Trust

Case Number: 10-02633

vs.

Respondents

Capwest Securities, Inc.
Michelle Rebecca Langer
Jim Andrew Lund
Robert Russel Tweed

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimants Patricia Castro and Alvaro Castro as individuals, and as Trustees for the Castro Family Trust, hereinafter collectively referred to as "Claimants": Richard Sacks, Investors Recovery Service, Novato, California, and Timothy A. Canning, Esq., Law Offices of Timothy A. Canning, Arcata, California.

For Respondents Capwest Securities, Inc. ("Capwest"), Michelle Rebecca Langer ("Langer"), Jim Andrew Lund ("Lund"), and Robert Russel Tweed ("Tweed"), hereinafter collectively referred to as "Respondents": Orly Davidi, Esq., Fields, Fehn & Sherwin, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: June 2, 2010.

Claimants signed the Submission Agreement: May 14, 2010.

Statement of Answer filed by Respondents Lund, Tweed and Langer on or about: August 24, 2010.

Statement of Answer filed by Respondent Capwest on or about: September 2, 2010.

Langer signed the Submission Agreement: July 13, 2010.

Lund signed the Submission Agreement: September 16, 2010.

Tweed signed the Submission Agreement: September 16, 2010.

Capwest Securities, Inc. did not sign the Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: 1) Unsuitability; 2) Fraud (Misrepresentation and Omission); 3) Breach of Contract; 4) Breach of Fiduciary Duty; and 5) Negligence. The causes of action relate to investments in two tenants in common ("TIC"), Water Song Apartments (CWC Water Song S&H LP), and Cabot Turfway Ridge Acquisition, LLC.

Unless specifically admitted in their Answer, Respondents Lund, Tweed and Langer denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Capwest denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. An award whereby Claimants tender the two investments to the Respondents and ask for complete rescission of the investments and all contracts, agreements and loans Claimants entered into as part of these transactions, and return of the \$691,803.00 that they invested;
2. Interest at the legal rate, less any income distributions received by Claimants up to the date of the evidentiary hearing;
3. Reimbursement of the reasonable costs incurred with this arbitration, including expert witness fees and arbitration fees;
4. Punitive damages, in an amount sufficient to deter these Respondents and other firms in the future from engaging in such practices in the offering of securities; and
5. A declaration that this investment, including any guarantee as part of this investment, was procured by material omissions, misrepresentations, fraud, and was void at inception and is therefore invalid.

Respondents Lund, Tweed and Langer requested that the Statement of Claim be dismissed in its entirety and that they be awarded their costs and reasonable attorneys' fees in connection with defending this claim.

Respondent Capwest requested that the Statement of Claim be dismissed in its entirety and that it be awarded its costs and reasonable attorneys' fees in connection with defending this claim.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent Capwest did not file with FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code, and having answered the claim, is bound by the determination of the Panel on all issues submitted.

The parties have 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, 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:

1. Claimants' request for rescission is denied.
2. Respondents are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$156,250.00.
3. Respondents are jointly and severally liable for and shall pay to Claimants interest on the aforementioned amount of \$156,250.00 at a rate of 1.5% per annum accruing from the date of service of this Award, until the date of payment of the Award in full.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing fee = \$ 1,575.00

**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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Capwest Securities, Inc. is assessed the following:

Member Surcharge = \$ 2,250.00

Pre-Hearing Processing Fee = \$ 750.00

Hearing Processing Fee = \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings:

August 8-12, 2011, adjournment by parties = waived

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:

August 8-12, 2011, adjournment by parties = \$300.00

1. The Panel has assessed \$150.00 of the three-day cancellation fees jointly and severally to Claimants.
2. The Panel has assessed \$150.00 of the three-day cancellation fees jointly and severally to Respondents.

Hearing Session Fees and Assessments

The Panel has assessed hearing session 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), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,200.00/session = \$1,200.00
Pre-hearing conference: December 13, 2010 1 session

Eight (8) Hearing sessions @ \$1,200.00/session = \$9,600.00
Hearing Dates: June 5, 2012 2 sessions
June 6, 2012 2 sessions
June 7, 2012 2 sessions
June 8, 2012 2 sessions

Total Hearing Session Fees = \$10,800.00

The Panel has assessed \$10,800.00 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Melvin S. Feldman	-	Public Arbitrator, Presiding Chairperson
David J. Anderson	-	Public Arbitrator
Daniel R. Brush	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

Melvin S. Feldman

Melvin S. Feldman
Public Arbitrator, Presiding Chairperson

7/14/12

Signature Date

David J. Anderson
Public Arbitrator

Signature Date

Daniel R. Brush
Non-Public Arbitrator

Signature Date

7/16/12

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

ARBITRATION PANEL

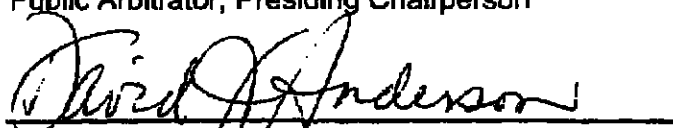
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Daniel R. Brush
Non-Public Arbitrator

7-12-12

Signature Date

7/16/12

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