

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

DRG Hendersonville TIC 13 LLC
Rose Kramer
Stanley Kramer
Mayer & Rose Kramer Inter Vivos Trust Ame
Mayer & Rose Kramer Inter Vivos Trust
TIC Ren Meadowlands 31, LLC

Case Number: 11-01909

vs.

Respondents

Larry Ivan Behrends
Capstone Financial Group, Inc.
Capwest Securities, Inc.
Ronald Lee Ellis
Amy Grindstaff
Dale Keith Hall
Kathleen Louise Heshelow
Lawrence William Lambert
Michelle Rebecca Langer
MAM Securities, LLC
Jeffrey Jon Pridey
David L. Smith
Robert Tweed
Debra Harrawood White

Hearing Site: Los Angeles, California

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

The case proceeded under the Optional All Public Panel Rule/All Public Panel.

REPRESENTATION OF PARTIES

Claimants DRG Hendersonville TIC 13 LLC, Rose Kramer, Stanley Kramer, Mayer & Rose Kramer Inter Vivos Trust Ame, Mayer & Rose Kramer Inter Vivos Trust and TIC Ren Meadowlands 31, LLC, hereinafter collectively referred to as "Claimants": Jonah A. Toleno, Esq., Shustak Frost & Partners, PC, San Diego, California.

Respondents Ronald Lee Ellis ("Ellis"), Dale Keith Hall ("Hall"), Kathleen Louise Heshelow ("Heshelow"), Lawrence William Lambert ("Lambert"), Michelle Rebecca Langer ("Langer"), Jeffrey Jon Pridey ("Pridey") and Robert Tweed ("Tweed"),

collectively referred to as "Respondents": H Thomas Fehn, Esq. and Orly Davidi, Esq., Fields, Fehn & Sherwin, Los Angeles, California.

Respondent Capstone Financial Group, Inc. ("Capstone"): Thomas R. Opsahl, CEO, Capstone Financial Group, Inc., Forest Lake, Minnesota.

Respondent Capwest Securities, Inc. ("Capwest"): Corporate Officer, Capwest Securities, Inc., Greeley, Colorado.

Respondent Amy Grindstaff ("Grindstaff"): Keith E. Grindstaff, Esq., Law Office of Keith E. Grindstaff, Highlands Ranch, Colorado.

Respondent MAM Securities, LLC ("MAM"): Robert C. Rosen, Esq., Rosen & Associates PC, Los Angeles, California.

Respondent Larry Ivan Behrends ("Behrends"): *Pro Se*, Greeley, Colorado.

Respondent David L. Smith ("Smith"): *Pro Se*, Canton, Connecticut.

Respondent Debra Harrawood White ("White"): *Pro Se*, Littleton, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: May 11, 2011

Claimants signed Submission Agreements: April 22, 2011

First Amended Statement of Claim filed on or about: September 12, 2011

Second Amended Statement of Claim filed on or about: November 28, 2011

Joint Statement of Answer filed by Respondents Ellis, Hall, Heshelow, Lambert, Langer, Pridey, Tweed and Capwest on or about: July 22, 2011

Respondent Heshelow signed the Submission Agreement: July 21, 2011

Respondent Hall signed the Submission Agreement: September 26, 2011

Respondent Ellis signed the Submission Agreement: September 24, 2011

Respondent Langer signed the Submission Agreement: October 14, 2011

Respondent Pridey signed the Submission Agreement: October 17, 2011

Respondent Tweed signed the Submission Agreement: August 3, 2011

Statement of Answer filed by Respondent Smith on or about: August 22, 2011

Respondent Smith signed the Submission Agreement: July 6, 2011

Statement of Answer filed by Respondent MAM on or about: November 2, 2011

Respondent MAM signed the Submission Agreement: July 18, 2011

Respondents Behrends, Capstone, Capwest, Grindstaff, Lambert and White did not sign Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action in the Statement of Claim, First Amended Statement of Claim and Second Amended Statement of Claim: fraudulent misrepresentation; fraudulent concealment and omission; negligent misrepresentation; negligent concealment and omission; breach of fiduciary duty; unsuitability; failure to supervise; breach of implied covenant of good faith and fair dealing; elder abuse under California Law; violations of state and federal securities laws; and violations of FINRA, NASD and NYSE rules. In Claimants' First Amended Statement of Claim they added Stanley Kramer as a Claimant. In Claimants' Second Amended Statement of Claim they added Behrends, Grindstaff and White as Respondents. The causes of action relate to Claimants' purchase of two tenancy-in-common investments – the Marriott Renaissance Meadowlands Hotel and the Arbors on Main Apartments.

Unless specifically admitted in their Answer, Respondents Ellis, Hall, Heshelow, Lambert, Langer, Pridey, Tweed and Capwest denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Smith denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

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

RELIEF REQUESTED

In the Statement of Claim, First Amended Statement of Claim and Second Amended Statement of Claim, Claimants requested:

1. Rescission of the investments;
2. Interest at the legal rate;
3. Damages in excess of \$1,000,000.00;
4. Treble damages as to Claimant Rose Kramer;
5. Attorneys' fees and costs;
6. Punitive damages; and
7. Such other and further relief as the Panel may deem just and proper.

In their Answer, Respondents Ellis, Hall, Heshelow, Lambert, Langer, Pridey, Tweed and Capwest requested that the Statement of Claim be dismissed in its entirety and that they be awarded their costs and attorneys' fees.

In his Answer, Respondent Smith requested that the Statement of Claim be dismissed.

In its Answer, Respondent MAM requested:

1. Claimants' claims be dismissed;
2. Sanctions and attorneys' fees;
3. Expungement of this matter from its Central Registration Depository ("CRD") records;
4. Costs; and
5. Such further and other relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Behrends did not file with FINRA Dispute Resolution a properly executed Submission Agreement or Answer, but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and having appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Respondents Grindstaff and White did not file with FINRA Dispute Resolution properly executed Submission Agreements or Answers, but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

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.

Respondent Lambert 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, and appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

By letter dated June 20, 2011, Claimants dismissed with prejudice Respondent Capstone from the matter.

On September 28, 2011, Respondent Smith submitted a Motion to Dismiss and for Sanctions, and a Request for Expungement. On November 14, 2011, Claimants submitted a response opposing the motion and request for expungement.

On November 2, 2011, Respondent MAM submitted a Motion to Dismiss and for Sanctions, and a Request for Expungement. On November 29, 2011, Claimants submitted a response stating that they did not oppose Respondent MAM's Motion to Dismiss. On December 5, 2011, Claimants submitted an additional response indicating that they oppose Respondent MAM's Motion for Sanctions. Claimants did not take a position on Respondent MAM's Request for Expungement.

The Panel conducted a telephonic recorded prehearing conference on December 8, 2011 so the parties could present oral argument and evidence on Respondents Smith and

MAM's Motions to Dismiss and for Sanctions and Requests for Expungement. The Panel reviewed the pleadings, Respondents Smith and MAM's motions and requests, Claimants' responses, and the testimony of the parties.

By order dated December 19, 2011, the Panel determined to deny Respondent Smith's Motion to Dismiss and for Sanctions and Request for Expungement. Also by order dated December 19, 2011, the Panel determined to grant Respondent MAM's Motion to Dismiss and Request for Expungement. In accordance with the Code Rule 12504, the Panel granted MAM's Motion to Dismiss because it found that Respondent MAM was not associated with the accounts, securities or conduct at issue based on written and oral arguments. Specifically, the Panel found that Respondent MAM was not involved with the transaction at issue. The Panel denied Respondent MAM's Motion for Sanctions.

On November 28, 2011, Claimants submitted a Motion to File a Second Amended Statement of Claim. On December 27, 2011, Respondent Grindstaff submitted a response opposing Claimants' motion. By order dated December 30, 2011, the Panel granted Claimants' Motion to File a Second Amended Statement of Claim.

On December 27, 2011, Respondent Grindstaff submitted a Motion to Dismiss. Claimants did not submit a response to the motion. The Panel held a telephonic prehearing conference on March 16, 2012 so the parties could present oral argument and evidence on Respondent Grindstaff's motion. During the March 16, 2012 conference, Respondent Grindstaff withdrew her Motion to Dismiss and Claimants agreed to dismiss her from the case. By letter dated March 26, 2012, Claimants dismissed with prejudice Respondent Grindstaff from the matter.

By letter dated January 10, 2012, Claimants dismissed with prejudice Respondent White from the matter.

During the hearing, Claimants dismissed with prejudice Respondents Ellis, Smith and Pridey from the case. Also during the hearing, Respondents Ellis, Hall, Heshelow, Lambert, Langer, Pridey, Behrends, Smith and Tweed requested expungement of this matter from their CRD records. The Claimants did not oppose Respondents Ellis, Smith and Pridey's requests for expungement and did not take a position on any other requests for expungement. The Panel held the recorded hearing on the expungement requests during the evidentiary hearing. The Panel reviewed the pleadings and the extensive testimony of all parties.

In addition, at the hearing Respondent Smith made a motion for costs. Claimants opposed the motion. After due consideration, the Panel determined to grant Respondent Smith's motion.

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. Respondents Capwest, Tweed and Behrends are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$338,000.00, plus interest accrued at the rate of 5% per annum beginning the date the award is served until the award is paid in full.
2. Claimants are jointly and severally liable for and shall pay to Respondent Smith costs in the amount of \$4,000.00.
3. Claimants' claims against Respondent MAM are dismissed in their entirety pursuant to Code Rule 12504.
4. Claimants' claims against Respondents Hall, Heshelow, Lambert and Langer are denied in their entirety.
5. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent MAM Securities, LLC's (CRD # 124620) registration records maintained by CRD, with the understanding that pursuant to Notice to Members 04-16, Respondent MAM Securities, LLC must obtain confirmation from a court of competent jurisdiction before 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 12805 of the Code, the Panel has made the following Rule 2080 affirmative finding of fact: The brokerage firm was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Panel has made the above Rule 2080 finding based on the following reason: Respondent MAM Securities, LLC was dismissed from the case because it was not involved with the transaction at issue.

6. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Dale Keith Hall's (CRD # 706704) registration records maintained by CRD, with the understanding that pursuant to Notice to Members 04-16, Respondent Dale Keith Hall must obtain confirmation from a court of competent jurisdiction before 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 12805 of the Code, the Panel has made the following Rule 2080 affirmative finding of fact: The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Panel has made the above Rule 2080 finding based on the following reason: Respondent Dale Keith Hall was not employed by Respondent Capwest when the securities at issue were purchased.

7. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Ronald Lee Ellis (CRD # 1605740), David L. Smith (CRD # 2246779) and Jeffrey Jon Pridey's (CRD # 2136022) registration records maintained by CRD, with the understanding that pursuant to Notice to Members 04-16, Respondents Ronald Lee Ellis, David L. Smith and Jeffrey Jon Pridey must obtain confirmation from a court of competent jurisdiction before 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 12805 of the Code, the Panel has made the following Rule 2080 affirmative finding of fact: The registered persons were not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Panel has made the above Rule 2080 finding based on the following reasons: Claimants dismissed these individuals during the hearing and did not oppose their requests for expungement. In addition, these Respondents were not involved in the alleged violations.

8. Respondents Heshelow, Lambert, Langer, Behrends and Tweed's requests for expungement are denied.
9. Any and all relief not specifically addressed herein, including punitive and treble 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	= \$ 1,800.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as parties, Capwest Securities, Inc. and MAM Securities, LLC are assessed the following:

Capwest Securities, Inc.

Member Surcharge	= \$ 2,800.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 5,000.00

MAM Securities, LLC

Member Surcharge	= \$ 2,800.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 5,000.00

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena
(1) one arbitrator @ \$200.00 = \$ 200.00

Total Contested Motion for Issuance of Subpoenas Fees = \$ 200.00

1. The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees jointly and severally to Claimants.
2. The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees jointly and severally to Respondents Tweed and Behrends.

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:

Four (4) Pre-hearing sessions with the Panel @ \$1,200.00/session = \$ 4,800.00

Pre-hearing conferences: November 14, 2011 1 session
December 8, 2011 1 session
February 21, 2012 1 session
March 16, 2012 1 session

Nine (9) Hearing sessions @ \$1,200.00/session = \$10,800.00

Hearing Dates: April 30, 2012 2 sessions
May 1, 2012 2 sessions
May 2, 2012 2 sessions
May 3, 2012 2 sessions
May 4, 2012 1 session

Total Hearing Session Fees = \$15,600.00

1. The Panel has assessed \$6,000.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed \$600.00 of the hearing session fees jointly and severally to Respondents Capwest, Ellis, Hall, Heshelow, Lambert, Langer, MAM, Pridey, Smith and Tweed.

3. The Panel has assessed \$1,200.00 of the hearing session fees jointly and severally to Respondents MAM and Smith.
4. The Panel has assessed \$1,200.00 of the hearing session fees jointly and severally to Respondents Behrends, Capwest, Ellis, Grindstaff, Hall, Heshelow, Lambert, Langer, Pridey, Smith and Tweed.
5. The Panel has assessed \$1,200.00 of the hearing session fees solely to Respondent Grindstaff.
6. The Panel has assessed \$5,400.00 of the hearing session fees jointly and severally to Respondents Tweed and Behrends.

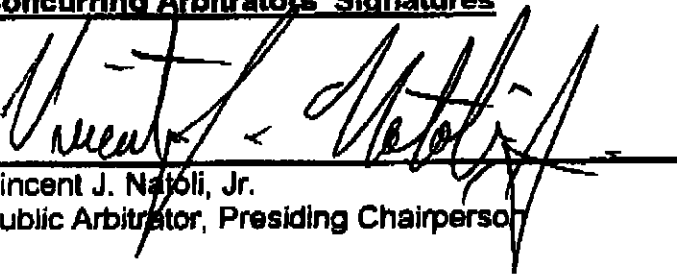
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Vincent J. Natoli, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert F. Saint-Aubin	-	Public Arbitrator
W. Alex King	-	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



Vincent J. Natoli, Jr.
Public Arbitrator, Presiding Chairperson

5/24/12

Signature Date

Robert F. Saint-Aubin
Public Arbitrator

Signature Date

W. Alex King
Public Arbitrator

Signature Date

May 25 2012

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

ARBITRATION PANEL

Vincent J. Natoli, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert F. Saint-Aubin	-	Public Arbitrator
W. Alex King	-	Public Arbitrator

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Concurring Arbitrators' Signatures

Vincent J. Natoli, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert F. Saint-Aubin
Public Arbitrator

Signature Date

W. Alex King
Public Arbitrator

Signature Date

May 25, 2012
Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

Vincent J. Natoli, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert F. Saint-Aubin	-	Public Arbitrator
W. Alex King	-	Public Arbitrator

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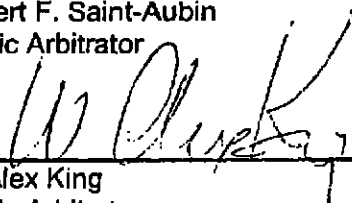
Concurring Arbitrators' Signatures

Vincent J. Natoli, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert F. Saint-Aubin
Public Arbitrator

Signature Date



W. Alex King
Public Arbitrator



Signature Date

May 25, 2012

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