

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Nathan Sclar, TTEE,  
Defined Benefit Trust II

NASD Arbitration  
No. 92-00586

Name of Respondent

Cindy Humley  
Dan Humley  
Titan Value Equities Group, Inc.

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REPRESENTATION

For Claimant: Ricki C. Ring, Esq. - Los Angeles, California

For Respondent: Frederick A. Rafeedie, Esq. - Jones Bell Simpson & Abbott Los Angeles, California

CASE INFORMATION

Statement of Claim filed: February 18, 1992

Claimant's Submission Agreement signed on: February 6, 1992

Statement of Answer filed by Respondents, on: April 27, 1992

Respondent, Titan Value Equities Group Inc.'s Submission Agreement signed on: March 18, 1992

Respondent, Cindy L. Humley's Submission Agreement signed on: March 17, 1992

Respondent, Dan Humley's Submission Agreement signed on: March 17, 1992

HEARING INFORMATION

Pre-Hearing Conference: August 27, 1992 - One Session

Hearing Dates/Sessions: September 9, 1992 - Two Sessions  
November 2, 1992 - Two Sessions

Hearing Location: Los Angeles, California

### CASE SUMMARY

Claimants, Nathan Sclar (Sclar), alleged that Respondents, Dan Humley and Cindy Humley (Humley) while employed by Respondent, Titan Value Equities Group, Inc., (Titan) sold Sclar a limited partnership interest in IDM Participating Mortgage Income Fund. Sclar alleged that Humley and Titan bear full responsibility for permitting Sclar to make an unsuitable investment in IDM and continuing to offer an investment in IDM without fully disclosing the material facts concerning the difficulties which IDM was undergoing which were a matter of public record and were well-known in the brokerage community.

Respondents, answering jointly, alleged that at no time prior to prior to July 3, 1991, approximately one month after the sale at issue, did the Respondents know of any problems at IDM. Furthermore, prior to July 3, 1991, IDM had an excellent reputation for developing quality real estate projects and had never missed a payment to investors in its 22 year history. Titan also alleged on information and belief that, as a result of a recession, a slump in the real estate market occurred and IDM temporarily suspended monthly payments to its investors.

### RELIEF REQUESTED

Claimant requested rescission of the IDM investment and return of the initial investment of \$40,000.00, less a payment received of \$280.00 plus interest at the legal rate, punitive damages, attorneys' fees and costs.

Respondents requested dismissal of the claim in its entirety, costs and fees.

### OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

### AWARD

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

1. Each and every claim of Claimant, Nathan Sclar, TTEE, Defined Benefit Pension Trust II, against Respondents, Dan Humley, Cindy Humley and Titan Value Equities Group Inc., is dismissed.
2. The parties shall each bear their respective costs and fees, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

Claimant is assessed and shall pay to the NASD the sum of \$1,200.00 representing assessments for four hearing sessions at \$400.00 each, less the previously deposited \$400.00.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Public/Industry  
Public Chairperson  
Industry Panelist  
Public Panelist

Concurring Arbitrators' Signatures

George M. Wigner  
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Date of Decision: Nov. 23, 1992

Served 11/30/1992