

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Laura Crenshaw-Gordon, Individually
and as Trustee of the
Laura Crenshaw-Gordon Trust

No. 93-02195

Name of Respondents

Titan Value Equities Group, Inc.
Patirck More

REPRESENTATION OF PARTIES

For Claimant: Robert D. Mitchell, Esq., Scottsdale, Arizona.

For Respondents: Joseph E. Mais, Esq., of Brown & Bain, Phoenix, Arizona.

CASE INFORMATION

Claimant's Statement of Claim was filed on or about May 28, 1993.

Claimant's Submission Agreement was signed on July 22, 1993.

Respondents' joint Statement of Answer was filed on or about September 13, 1993.

Respondent Titan Value Equities Group, Inc.'s Submission Agreement was signed on July 26, 1993.

Respondent Patrick More's Submission Agreement was signed on September 10, 1993.

HEARING INFORMATION

Pre-Hearing conference date: January 12, 1994. One (1) session.

Hearing dates: March 10, 1994. Two (2) sessions.

March 11, 1994. Two (2) sessions.

Hearing Location: Scottsdale, Arizona.

CASE SUMMARY

Claimant, Laura Crenshaw-Gordon, Individually, and as Trustee of the Laura Crenshaw-Gordon Trust ("Claimant") alleged that Respondents, Titan Value Equities Group, Inc. and Patrick More ("Respondents"): Made unsuitable investments for Claimant; breached their fiduciary duty to the Claimant; were negligent in recommending investment opportunities to the Claimant; breached their contract with the Claimant; violated A.R.S. Section 44-1991. The allegations arose out of transactions in the following securities: Atel Cash Distribution Fund III L.P. ("Atel"); CNL Income Fund VIII Ltd. L.P. ("CNL"); and IEA Income Fund XI, L.P. (now called CRONOS) ("IEA").

In their Answer, Respondents, unless specifically admitted therein, denied each and every allegation contained in the Statement of Claim. In additions, Respondents asserted the following affirmative defenses:

1. Respondents at all times acted reasonably in their dealings with Claimant and have committed no act or omission which would justify a finding or an award of damages against them.
2. The limited partnerships were suitable investments for Claimant.
3. Claimant's claims are barred by the doctrine of waiver.
4. Claimant's claims are barred by the doctrine of estoppel.
5. Claimant at all material times was fully informed of all potential risks and characteristics associated with the limited partnership investments and voluntarily assumed any such risk associated with those investments.
6. Claimant's claims are barred by the doctrine of laches and/or the applicable statute of limitations.
7. Claimant's claims to recover damages she allegedly sustained as a result of the challenged investments are barred to the extent that such damages were proximately caused by Gordon's acts or failure to act or by market factors that are not the fault of any person. A.R.S. Section 12-2505; see A.R.S. Section 12-2506. In the event that Claimant's acts or failures to act are determined to be the proximate cause of more than 50% of damages resulting from the fault of any person, the claims are barred in their entirety. A.R.S. Section 12-2505. Moreover, to the extent that any non-parties, such as Delta First Financial, may have been at fault, any damages award must be reduced accordingly. A.R.S. Section 12-2506.
8. Claimant's recovery, if any, must be reduced by: (i) any distributions paid by the investments; (ii) any tax

benefits Claimant received by virtue of the investments;
and (iii) the current value of the investments.

RELIEF REQUESTED

Claimant requested an award of the following:

1. Recision and compensatory damages of at least \$250,000.00.
2. Punitive damages in an amount not less than \$500,000.00 the arbitrators deem appropriate.
3. Recovery of filing fees and such other fees, costs and expenses as may be incurred in bringing this arbitration.

Respondents requested that the Statement of Claim should be dismissed and that Respondents be awarded their attorneys' fees and costs incurred in defending the matter to the extent permitted by law, including pursuant to Arizona Revised Statutes Section 12-341.01(A), (C).

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed by 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 and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's, Laura Crenshaw-Gordon, individually and as Trustee of the Laura Crenshaw-Gordon Trust, claims are denied and dismissed with prejudice.

OTHER COSTS

Each party shall bear its own costs and expenses associated with this arbitration, including attorney's fees, except as set forth more fully below.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure

(the "Code"), the following forum fees are assessed:

1 pre-hearing conference sessions x \$300.00 = \$300.00

4 hearing sessions x \$400.00 = \$1,600.00

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$120.00, and shall RETAIN the hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimant.

Additional forum fees in the amount of \$233.00 are assessed against the Claimant.

Additional forum fees in the amount of \$634.00 are assessed against Respondent Titan Value Equities, Inc.

Additional forum fees in the amount of \$633.00 are assessed against Respondent Patrick More.

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

CONCURRING ARBITRATORS

Dated:

Name:

April 19, 1994

Donald B. Clark
Hon. Donald B. Clark
Presiding Chair
Public Arbitrator

April 19, 1994

Irving Mindes
Irving Mindes
Industry Arbitrator

April 20, 1994

William B. Thomas
William B. Thomas
Public Arbitrator

Date of Service by the NASD: 4-26-94