

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant
Garet Hegner

NASD Arbitration
No. 93-04234

v.

Name of Respondents
Titan Value Equities Group, Inc.
William Aubrey Morrow

REPRESENTATION

For Claimant: Paul W. Thomas, Esq. - Carlsbad, California

For Respondents: Donald P. Wagner, Esq. - Wagner & Lichman, Irvine, California

CASE INFORMATION

Statement of Claim filed: October 12, 1993

Claimant's Submission Agreement signed: September 14, 1993

Joint Answer filed: December 6, 1993

Respondents' Submission Agreements signed:
Titan Value Equities: December 6, 1993
William Morrow: December 6, 1993

HEARING INFORMATION

Hearing Dates / Sessions: September 8, 1994 - 2 sessions

Hearing Location: San Diego, California

CASE SUMMARY

Claimant alleged misrepresentation, fraud, unsuitability, failure to supervise and breach of fiduciary duty with respect to an investment in a limited partnership known as Royalty Mortgage Income Fund II recommended by Respondents.

Respondents denied the allegations of the claim, and stated that the limited partnership was an appropriate investment for Claimant and met her stated investment goals. Respondents asserted that the investment's performance may not be satisfactory, but that is not due to any misconduct on their part.

RELIEF REQUESTED

Claimant requested rescission of the limited partnership investment and return of her \$25,000, punitive damages, interest, costs of arbitration and attorney's fees.

Respondents requested dismissal of all claims.

OTHER ISSUES CONSIDERED AND 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 originals 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. All claims asserted against Titan Value Equities Group, Inc., are dismissed in their entirety.
2. Respondent William Aubrey Morrow is liable for and shall pay to Claimant the sum of \$7,000 in full satisfaction of all claims.
3. The claim for punitive damages is dismissed.
4. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$100 non-refundable filing fee paid by Claimant, and shall refund to Claimant the \$400 hearing session deposit.

Respondent William Aubrey Morrow is to reimburse Claimant for the \$100 non-refundable filing fee.

Respondent William Aubrey Morrow is assessed forum fees as follows:

2 sessions @ \$400/session = \$800.

Fees are payable to the NASD, Inc.

ARBITRATORS

Name


Harvey C. Flodin
George Hubner
Robert H. Hughes

Public / Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures

Harvey C. Flodin



George Hubner

Robert H. Hughes

Served 10/5/94

Date of Decision:

9/8/1994

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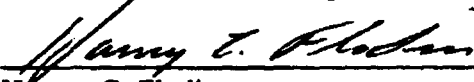
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