

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Joan E. Brown

NASD Arbitration
No. 94-01218

Name of Respondents

Russell Young and Robert Scott Securities, Inc.

REPRESENTATION

For Claimant:	Jeffrey L. Gaffney San Diego, California
For Respondent Russell Young:	Russell Young, Pro Se Laguna Niguel, California
For Respondent Robert Scott Securities, Inc.:	Nicholas Ellis Robert Scott Securities, Inc. Irvine, California

CASE INFORMATION

Statement of Claim filed: March 31, 1994

Claimant's Submission Agreement signed: March 21, 1994

Respondent Russell Young's Submission Agreement signed: May 25, 1994

HEARING INFORMATION

Hearing Date / Sessions : March 4, 1996 (1 session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that she suffered financial losses due to Respondents' fraud, misrepresentation, breach of contract, breach of fiduciary duty, negligence and conspiracy. Specifically, Claimant alleged the investments made by Respondents were completely unsuitable for Claimant based on her income, net worth, and investment goals and objectives.

Respondents denied each of the Claimant's allegations.

RELIEF REQUESTED

Claimant sought damages in the amount of \$230,000.00, prejudgment and postjudgment interest at the highest legal rates, punitive damages in the amount of \$1,000,000.00 and all costs of suit including attorney's and consulting fees.

Respondents sought costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Colton Financial, Inc. filed for bankruptcy on February 27, 1995.

Respondent David A. Colton filed for bankruptcy on March 5, 1995.

By letter dated March 29, 1995, Claimant dismissed Respondent Titan/Value Equities Group from this action

By letter dated March 1, 1996, Claimant reached a settlement with Respondent Associated Securities.

Claimant's Counsel represented at the beginning of the Arbitration Hearing that Respondent Robert Scott Securities, Inc. had been dismissed.

The parties have agreed that the Award in this matter may be executed in either 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 remains 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. Claimant is awarded compensatory damages of \$191,100.00 to be paid by Respondent Russell Young based upon the panel's finding of fraud, concealment and misrepresentation.
2. Each party shall bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

One (1) Hearing Session @ \$1,000.0 / Session	=	\$1,000.00
Total Fees Assessed	=	\$1,000.00

Respondent Russell Young is assessed fees for one Hearing Session as follows:

Forum Fee Total	=	\$1,000.00
Respondent Russell Young's Balance Due	=	\$1,000.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Donald S. Simons, Esq.	Public Arbitrator
Philip Saltz, Esq.	Industry Arbitrator
Philip W. Burge	Public Arbitrator

Concurring Arbitrators' Signatures



Donald S. Simons, Esq.

Philip Saltz, Esq.

Philip W. Burge

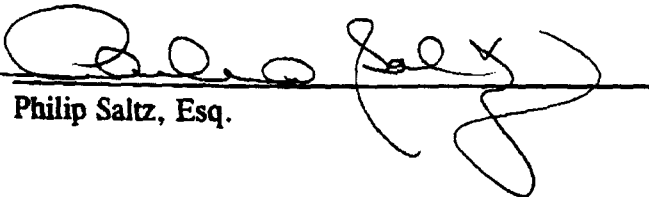
Date of Decision: 5/10/96

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Donald S. Simons, Esq.	Public Arbitrator
Philip Saltz, Esq.	Industry Arbitrator
Philip W. Burge	Public Arbitrator

Concurring Arbitrators' Signatures

Donald S. Simons, Esq.



Philip Saltz, Esq.

Philip W. Burge

Date of Decision: _____


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Concurring Arbitrators' Signatures

Donald S. Simons, Esq.

Philip Saltz, Esq.



Philip W. Burge

Date of Decision: March 4, 1996