

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Ralph L. Hutcherson, Jr.

95-03237

Name of Respondent

Titan/Value Equities Group, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 6, 1995, Claimant Ralph L. Hutcherson, Jr. ("Claimant"), who appeared Pro Se, alleged that Respondent Titan/Value Equities Group, Inc. ("TITAN") failed to take sufficient action in investigating the disciplinary history of broker Michael Goldman ("Goldman"), and thus failed to inform Claimant of the potential detriment associated with establishing a relationship with Goldman. Claimant further alleged that Respondent failed to adequately monitor and supervise the actions of broker Goldman in connection with the sale to Claimant of 2400 warrants for The Woodington Group, Inc. ("WGI") on September 27, 1989, and the sale of 2400 warrants for the WGI on April 30, 1990. Claimant contended that proper and timely action could have saved some of assets. Claimant further contended that as a result of the above, he has suffered a loss for which the Respondent should be held liable.

Respondent Titan/Value Equities Group, Inc., through its representatives and in-house counsel, Karen S. Turigliatto, Esq. and Steven K. McGinnis, Esq., maintained that Claimant purchased the disputed investment in WGI as a result of his previous purchase of United Investors Trust prior to October 30, 1989, and not as a result of his relationship with Goldman. Respondent further maintained that Claimant's relationship with Respondent is limited to two deposits made into his brokerage account at Pershing, Respondents correspondent broker/dealer, for which Goldman received no commissions from TITAN: 1) 2400 shares WGI on December 10, 1990; 2) 3000 shares WGI on January 29, 1991. Respondent contended that the Arizona Corporation Commission ("ACC") investigated this matter and its order of April 22, 1992 determined that in connection with the WGI matter, Goldman was at all relevant times doing business within Arizona as a sales agent of WGI, not of Respondent TITAN. Respondent further contended that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Ralph L. Hutcherson, Jr., requested \$10,000.00 in actual damages.

Respondent Titan/Value Equities Group, Inc., requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William Barker, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Ralph L. Hutcherson, Jr., on June 27, 1995, and by the Respondent Titan/Value Equities Group, Inc., on September 15, 1995.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Ralph L. Hutcherson, Jr., against the Respondent Titan/Value Equities Group, Inc., are denied in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Ralph L. Hutcherson, Jr., shall be retained by the NASD, Inc. The Respondent Titan/Value Equities Group, Inc., shall pay to the Claimant Ralph L. Hutcherson, Jr., \$75.00 as reimbursement of one-half of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, **WILLIAM BARKER, ESQ.**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATE OF DECISION: January 31, 1996