

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Rossmore Enterprises Money Purchase Pension Plan,
Philip S. Sirianni, and
Janice B. Sirianni, TTEEs

v.

Arbitration No.
95-05941

Name of Respondents

Titan/Value Equities Group, Inc.,
J. B. Bogart & Associates, Inc.,
Alex Eitelbach, and Mark Fractor

REPRESENTATION

For Claimants:

Jules L. Federman
Investors Rights Association, Inc.
Santa Barbara, California

For Respondents

Titan Value Equities Group, Inc.,
and Mark Fractor:

Craig R. Bockman, Esq.
Alan S. Petlak, Esq.
Jones, Bell, Simpson, Abbott &
Fleming
Los Angeles, California

For Respondent

J. B. Bogart & Associates, Inc.:

J. Bruce Bogart
Los Angeles, California

For Respondent

Alex Eitelbach:

In Pro Per

CASE INFORMATION

Statement of Claim filed:	December 14, 1995
Claimant's Submission Agreement signed:	February 1, 1996
Joint Statement of Answer filed by Respondents Titan/Value Equities Group, Inc. and Mark Fractor:	May 15, 1996
Statement of Answer filed by Respondent J. B. Bogart & Associates, Inc.:	May 30, 1996
Statement of Answer filed by Respondent Alex Eitelbach:	May 21, 1996
Submission Agreement signed by Titan/Value Equities Group, Inc.:	May 14, 1996
Submission Agreement signed by J. B. Bogart & Associates, Inc.:	May 30, 1996
Submission Agreement signed by Mark Fractor:	May 14, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions:	September 10, 1996 / 1 Session November 27, 1996 / 1 Session
Hearing Dates / Sessions:	October 14, 1996 / 2 Sessions February 6, 1997 / 2 Sessions February 7, 1997 / 2 Sessions May 28, 1997 / 1 Session
Hearing Location:	Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents breached their fiduciary duty owed to them through making false or misleading statements or omissions regarding the value of Towers Financial Corporation promissory notes. Claimant further alleged that Respondents knew or should have known of the problems with the notes and had a duty to inform the Claimant of the problem.

Respondents Titan/Value Equities and Mark Fractor alleged they had no business dealings with the Claimant. Respondents further alleged that they did not solicit, recommend, or transact the Towers Financial Corporation promissory notes sale to Claimant.

Respondent J. B. Bogart & Associates Inc., alleged that the losses on the Towers Financial Corporation were the result of criminal activity by the Chairman of Towers Financial Corporation. Respondent admitted a duty to determine suitability, but alleged that it was not hired by the claimants for portfolio management. Respondent alleged that after researching the company it believed that Towers Financial Corporation promissory notes were a sound investment. Respondent alleged that it had no knowledge and could not obtain the knowledge of the true nature of the Towers Financial Corporation business.

Respondent William A. Eitelbach alleged that the Towers Financial Corporation promissory notes performed as expected, prior to the bankruptcy in 1993. Respondent further alleged that he monitored the security and had no knowledge of any material information about the true status of Tower Financial Corporation. Respondent alleged that the losses occurred because of the fraudulent activity of the Chairman of Towers Financial Corporation.

The parties settled all of the matters before the Arbitration Panel except for the following issues: 1) whether Respondents should be awarded attorney's fees to be paid by Claimants and their representatives; and 2) how forum fees should be assessed.

PRE-SETTLEMENT RELIEF REQUESTED

Claimant requested rescission of the investment interests. Claimant further requested compensatory damages of \$150,000 plus interest for economic losses. Claimant also requested costs, expenses, and fees.

Respondent Titan/Value Equities and Mark Fractor requested dismissal of the claim, costs, expenses, and payment of attorney fees.

Respondent J. B. Bogart & Associates Inc., requested dismissal of the claim.

Respondent William A. Eitelbach requested dismissal of the claim.

POST-SETTLEMENT RELIEF REQUESTED

Respondents requested the award of attorney's fees against Claimants and their representatives. Claimants opposed the request.

OTHER ISSUES CONSIDERED AND DECIDED

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 Regulation, Inc., Office of Dispute Resolution.

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. Respondents' request for an award of attorney's fees is denied.

FORUM FEES

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

1 Full Panel Pre-Hearing Conference @ \$750.00/Session	=	\$750.00
1 One Panel-Member Pre-Hearing Conference @ \$300.00/Session	=	\$300.00
7 Hearing Sessions @ \$750.00/session	=	\$5,250.00
Total Fees Assessed	=	\$6,300.00

Claimants are assessed	\$1,710.00
Unpaid postponement fees	= \$1,750.00
Credit for Hearing Session Deposit	= \$750.00
Total Balance Due	= \$2,710.00

Respondent Titan is assessed	\$1,710.00
Total Balance Due	= \$1,710.00

Respondent Fractor is assessed	\$960.00
Total Balance Due	= \$960.00

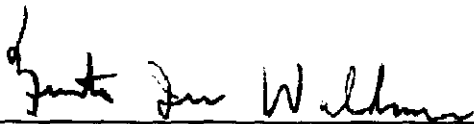
Respondent Eitelbach is assessed	\$960.00
Total Balance Due	= \$960.00

Respondent Bogart is assessed		\$960.00
Total Balance Due	=	\$960.00

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Newton Ira Waldman, Esq.	Public
Robert Taylor	Industry
Harold A. Haytin	Public

Concurring Arbitrators' Signatures



Newton Ira Waldman, Esq.

Robert Taylor

Harold A. Haytin

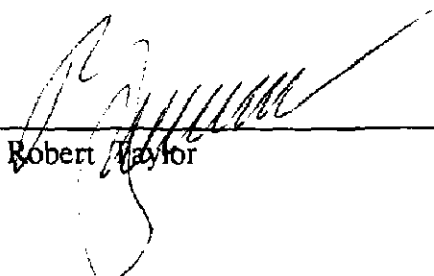
Date of Service: _____

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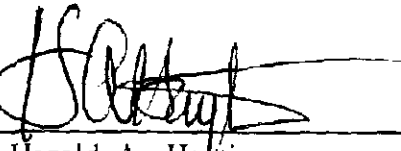
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Robert Taylor



Harold A. Haytin

Date of Service: 7-31-97