

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Warner M. Hussong and Marcella E. Hussong

v.

Arbitration No.
96-00530

Name of Respondent

Russell Bateman and Financial Network Investment Corporation

REPRESENTATION

For Claimants:

James J. Sullivan, Esq.
Law Offices Of James J. Sullivan
San Francisco, California

For Respondent
Russell Bateman:

Thomas A. Wiltrakis, Esq.
Financial Network Investment Corp.
Torrance, CA.

For Respondent
Financial Network Investment Corp.:

Samuel Y. Edgerton, III, Esq.
Nash & Edgerton
Hermosa Beach, California

CASE INFORMATION

Statement of Claim filed:

February 6, 1996

Claimants' Submission Agreements signed:

September 13, 1995

Joint Statement of Answer filed by
Respondents:

November 8, 1996

Respondent Financial Network Investment Corporation's
Submission Agreement signed:

June 14, 1996

Amended Statement of Claim filed:

December 19, 1997

HEARING INFORMATION

Pre- Hearing Conference Dates / Sessions:

Dec. 19, 1996 (1 Session)
Jan. 28, 1997 (1 Session)
Feb. 10, 1997 (1 Session)
Dec. 3, 1997 (1 Session)
Dec. 22, 1997 (1 Session)
Dec. 29, 1997 (1 Session)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant alleged that respondents suggested unsuitable purchases of three real estate investment trusts, namely, Commonwealth Equity Trust, University Real Estate Fund 10 and University Real Estate Fund 12. Claimants further alleged that Respondents were negligent, breached the fiduciary duty owed to Claimants, engaged in misrepresentation, and fraudulently concealed information from Claimants.

Respondent denied each and every allegation of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimant sought \$48,000.00 in compensatory damages, interest, costs, and punitive damages.

Respondent requested that judgment be entered in favor of Respondents and that the Statement of Claim be dismissed with prejudice. Respondents also requested that they be awarded attorney's fees and costs of suit.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents made various motions to dismiss in this matter. These motions and Claimants' responses were forwarded to the Arbitration Panel for consideration. On December 29, 1997, the Arbitration Panel issued an order granting the Respondents' Motion to dismiss and holding that all of the Claimants' claims are denied in their entirety.

AWARD

1. All of the Claimants' claims, including the claim for punitive damages, are denied in their entirety.
2. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Rule 10332 (c) of the Code of Arbitration Procedure, the following forum fees are assessed:

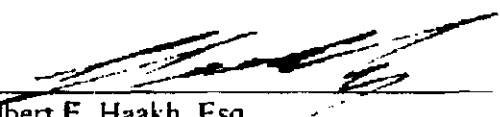
Six Pre-Hearing Conference Session @ \$400.00/ Session	= \$2,400.00
Claimants' three-fourths share =	= \$1,800.00
Credit for hearing session deposit	= \$ 400.00
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Claimant's Balance Due:	\$1,400.00
<u>Respondents' one-fourth share =</u>	\$ 600.00
Respondents' Balance Due:	\$ 600.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Gilbert E. Haakh, Esq.	Public
Leo B. Rotter	Industry
Edward J. Vaia	Public

Concurring Arbitrators' Signatures



Gilbert E. Haakh, Esq.

Leo B. Rotter

Edward J. Vaia


Date of Service: 8 January 1998

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
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Gilbert E. Haakh, Esq.



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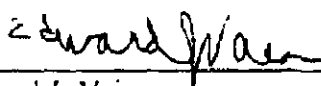
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