

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant**

Gary Warburton Pension and Profit Sharing Plan

v.

NASD Arbitration  
No. 96-00531

**Name of Respondents**

Robert Scott Securities, Inc., Titan Value Equities Group and William R. Kielty

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**REPRESENTATION**

For Claimant:

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

For Respondent Robert Scott Securities, Inc.

no appearance

For Respondent Titan Values Equities Group

Kari S. Turigliatto, Esq.  
Titan Value Equities Group  
Irvine, California

For Respondent William R. Kielty

in pro per

**CASE INFORMATION**

Statement of Claim filed:

February 6, 1996

Claimant's Submission Agreement signed:

January 2, 1996

Statement of Answer filed by  
Robert Scott Securities, Inc.:

none filed

Statement of Answer filed by  
Titan Value Equities Group:

April 26, 1996

Statement of Answer filed by  
William R. Kielty:

May 13, 1996

Respondent William R. Kielty's  
Submission Agreement signed:

May 9, 1996

### **HEARING INFORMATION**

Pre-Hearing Conference Dates / Sessions:

September 4, 1996 (1 Session)  
December 2, 1996 (1 Session)

Hearing Dates / Sessions:

December 4, 1996 (2 Sessions)  
December 5, 1996 (1 Session)

Hearing Location:

Los Angeles, California

### **CASE SUMMARY**

Claimant claimed that Respondents engaged in misrepresentation, omission of material fact, negligence, and breach of contract in the sale of notes issued by the Towers Financial Corporation.

Respondents Titan Value Equities Group and William R. Kielty denied the allegations of wrongdoing found in the Claimants Statement of Claim.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of \$40,000.00, interest and costs of arbitration. In addition, Claimant requested punitive and exemplary damages.

Respondent Titan Value Equities Group requested that Claimant take nothing by reason of his Statement of Claim and that an award be entered in favor of Respondents. Respondent Titan Value Equities Group further requested an award of attorney's fees and costs incurred.

### **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.

### **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 of Claimant's claims against Respondent Titan Value Equities Group are denied in their entirety.
2. All of the Claimant's claims against Respondent William R. Kielty are denied in their entirety.
3. Respondent Robert Scott Securities, Inc. is liable to and shall pay Claimant the sum of \$20,000.00.
4. Claimant's request for rescission is denied.
5. 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 following forum fees are assessed:

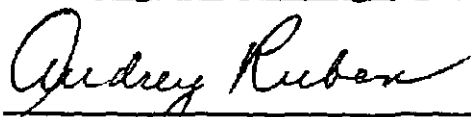
|   |   |                      |
|---|---|----------------------|
| Two Pre-Hearing Conference Sessions @ \$400.00/Session          | = | \$ 800.00            |
| <u>Three Hearing Sessions @ \$400.00/Session</u>                | = | <u>\$1,200.00</u>    |
| Total Fees Assessed:  | = | \$2,000.00           |
| <br>Claimant's One-Half Share                                   | = | <br>\$1,000.00       |
| <u>Credit for Hearing Session Deposit</u>                       | = | <u>\$ 400.00</u>     |
| Claimant's Balance Due  | = | \$ 600.00            |
| <br><u>Respondent Robert Scott Securities One-Quarter Share</u> | = | <br><u>\$ 500.00</u> |
| Respondent Robert Scott Securities Balance Due                  | = | \$ 500.00            |
| <br><u>Respondent William R. Kielty's One-Quarter Share</u>     | = | <br><u>\$ 500.00</u> |
| Respondent William R. Kielty's Balance Due                      | = | \$ 500.00            |

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

## ARBITRATORS

| <u>Name</u>          | <u>Public / Industry</u> |
|----------------------|--------------------------|
| Audrey Ruben.....    | Public Arbitrator        |
| Robert Bothner.....  | Industry Arbitrator      |
| Bernard Krasnow..... | Public Arbitrator        |

### Concurring Arbitrators' Signatures



Audrey Ruben

Robert Bothner

Bernard Krasnow

Date of Decision: \_\_\_\_\_

Date of Service: \_\_\_\_\_

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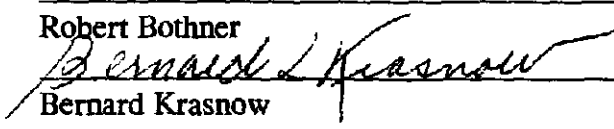
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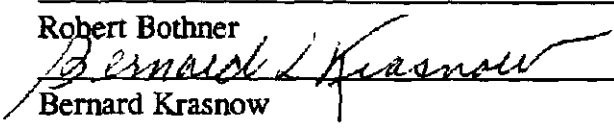
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