

NASDR AWARD

NASD REGULATION, INC., DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

George A. Hurley
Lois M. Hurley
Sharon M. Hurley
Sandra M. Hurley

NASDR Arbitration
#96-01447

vs.

Name of Respondent

Wedbush Morgan Securities Inc.

REPRESENTATION

For Claimants: Patricia A. Shub, Esq., Fort Lauderdale, Florida

For Respondent: Michael C. Licosati, Esq., Keesal, Young & Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed: April 2, 1996

Claimant's Submission Agreements signed:

George Hurley:	April 9, 1996
Lois Hurley:	April 9, 1996
Sharon Hurley:	July 29, 1996
Sandra Hurley:	July 29, 1996

Statement of Answer filed: July 31, 1996

Respondents' Submission Agreement signed: July 26, 1996

HEARING INFORMATION

Pre-hearing telephone conferences lasting one session each were held on December 12, 1996, and February 19, 1996.

The evidentiary hearing was held in Las Vegas, Nevada, as follows:

March 10, 1996	-	2 sessions
March 11, 1996	-	2 sessions
March 12, 1996	-	2 sessions
March 13, 1996	-	2 sessions

CASE SUMMARY

Claimants alleged breach of fiduciary duty, breach of contract, common law fraud, negligence and negligent supervision with respect to the recommendation and effectuation of investments in limited partnerships. (Leasetec, Capital Preferred Yield, and Phoenix Leasing Cash Distribution Fund IV and V). Claimants alleged they did not meet the investment standards for the limited partnerships at issue.

Respondent denied the allegations of the Claim, and stated that Claimants were given the prospectuses on their limited partnership investments and were also informed of investment risks by their broker. Respondent stated that the decline in the value of the partnerships was due to market forces beyond the control of Respondent but that the investments continue to pay reduced dividends. Respondent further stated that the investments in Leasetec and Phoenix IV were made in 1988, outside the 6 year eligibility period provided in section 10304 of the NASD Code of Arbitration Procedure.

RELIEF REQUESTED

Claimants requested return of all amounts invested (\$138,000), plus statutory interest, and attorney's fees.

Respondent requested dismissal of all claims.

OTHER ISSUES

At the first hearing session, Claimants moved to amend the claim to add a Nevada statutory claim. After argument, the motion was denied.

The parties have agreed to receive copies of the Award while the originals remain on file with the NASDR.

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 claims asserted by Claimants are dismissed.
2. The parties shall each bear their respective costs of arbitration, including attorney's fees.

FORUM FEE

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the \$200 non-refundable filing fee paid by Claimants.

Forum fees are assessed as follows:

Total fees:

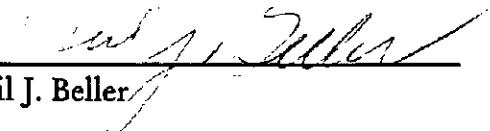
8 hearing sessions @ \$750/session	\$6000
Claimant's one-half share	\$3000
Credit for deposit	<u>750</u>
Balance due	\$2250
	=====
Respondent's one-half share	\$3000
	=====

Fees are payable to the NASDR, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Neil J. Beller	Public
James A. Small, Jr.	Industry
Merton A. Bobo	Public

Concurring Arbitrators Signatures



Neil J. Beller

James A. Small, Jr.

Dissenting Arbitrator:

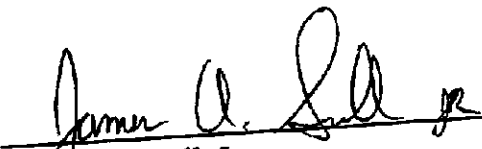
Merton A. Bobo

Date of Decision: 3/25/97

Date served: 4/3/97

Concurring Arbitrators Signatures

Neil J. Beller



James A. Small, Jr.

Dissenting Arbitrator:

Merton A. Bobo

Date of Decision: 3-13-97

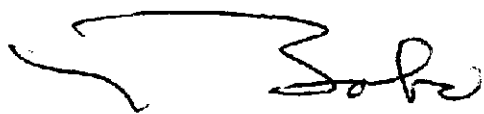
Date served: 4/3/97

Concurring Arbitrators Signatures

Neil J. Beller

James A. Small, Jr.

Dissenting Arbitrator:



Merton A. Bobo

Date of Decision: 3/13/97

Date served: 4/3/97