

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Frederick Morton Woolley

v.

NASD Regulation, Inc.
Arbitration No. 96-02041

Name of Respondents

Titan/Value Equities Group, Inc.

REPRESENTATION

For Claimants:

Sheldon M. Jaffe, Esq.
Gartenberg, Jaffe, Gelfand & Stein
Los Angeles, California

For Respondents:

David W. Studley, Esq.
Law Offices of David W. Studley
San Francisco, California

CASE INFORMATION

Amended Statement of Claim filed:

June 5, 1996

Claimant's Submission Agreement signed:

April 29, 1996

Statement of Answer and Counter-Claim
filed by Respondent:

August 2, 1996

Respondent Submission Agreement signed:

June 18, 1996

HEARING INFORMATION

Full Panel Pre-Hearing Conference Date / Session: November 15, 1996 (1 Session)

One Panel Member Pre-Hearing Conference Date / Session: January 10, 1997 (1 Session)
March 25, 1997 (1 Session)

Hearing Dates / Sessions: April 7, 1997 (2 Sessions)
April 8, 1997 (2 Sessions)
April 9, 1997 (2 Sessions)
April 10, 1997 (2 Sessions)
April 28, 1997 (2 Sessions)
April 29, 1997 (2 Sessions)
May 1, 1997 (1 Session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondent breached its contract with Claimant by refusing to pay for legal services in connection with an NASD complaint arising from a customer dispute. Claimant further alleged that this was a bad faith denial of insurance benefits and a breach of the Respondent's fiduciary duty. Claimant also alleged that Respondent violated California Labor Code §2802.

Respondent denied each and every allegation of wrongdoing set forth in the Claimant's Amended Statement of Claim in their entirety. Respondent alleged that the dispute involving the Claimant was not covered by Respondent's Co-Defense Program. Respondent also alleged that Claimant was not an employee, but an independent contractor not entitled to the indemnification provision of §2802 of the California Labor Code.

Respondent Counter-Claimed against Claimant. Respondent alleged that Claimant was an independent contractor, not an employee, and as such is liable for the Respondent's costs in resolving a claim brought by the customer of the Claimant.

Claimant denied each and every allegation of wrongdoing set forth in the Respondent's Counter-Claim in their entirety.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$55,000, amended at the hearing to approximately \$92,130.55, plus costs, fees, and expenses.

Respondent requested the dismissal of the claims.

Respondent requested in its Counter-Claim that Claimant be held liable in part or in total to the Respondent for any amount it must pay to the customer in that dispute.

Claimant requested the dismissal of the Counterclaim.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant dismissed his claim under Labor Code § 2802.

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. Respondent is liable to and shall pay Claimant the sum of \$ 41,325.64.
2. Respondent's Counterclaim is denied in its entirety.
3. Each party shall 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 against Respondent:

One Full Panel Pre-Hearing Conference @ \$600.00/Session	= \$600.00
Two One Panel Member Pre-Hearing Conference @ \$300.00/Session	= \$600.00
<u>13 Hearing Sessions @ \$600.00/Session</u>	<u>= \$7,800.00</u>
Total Fees Assessed Against Respondent	= \$9,000.00

Fees are payable to NASD Regulation, Inc.

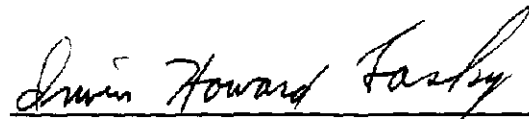
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Kenneth E. Owen, Esq.	Public
Irwin Howard Lasky	Public
Catherine M. O'Brien	Industry

Concurring Arbitrators' Signatures



Kenneth E. Owen, Esq.



Irwin Howard Lasky



Catherine M. O'Brien

Date of Decision: 5-1-97

Date of Service: 5-2-97