

AWARD

NASD REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant

The Schmitz Family Trust dated June 12, 1986
Mona K. Schmitz Trustee

v.

Arbitration No.
96-02545

Name of Respondents

Titan Value Equities Group, Inc., Bill Ring, Frank Lloyd King
and Philip Bruce Anderson

REPRESENTATION

For Claimant:

Nancy K. Udem, Esq.
Attorney at Law
Santa Barbara, California

For Respondents:

G. Thomas Fleming III, Esq.
Jones, Bell, Abbott,
Fleming & Fitzgerald L.L.P.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed:

June 10, 1996

Claimant's Submission Agreement signed:

May 9, 1996

Joint Statement of Answer filed by
Respondents Titan Value Equities Group, Inc.,
Bill Ring, Frank Lloyd King and Philip Bruce Anderson

September 17, 1996

Respondent Titan Value Equities Group, Inc.,
Submission Agreement signed:

August 23, 1996

Respondent Bill Ring
Submission Agreement signed:

August 23, 1996

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions:

December 20, 1996 (1 Session)
January 13, 1997 (1 Session)
March 3, 1997 (1 Session)
February 18, 1998 (1 Session)

Hearing Dates / Sessions:

February 23, 1999 (1 Session)
February 24, 1999 (2 Sessions)
February 25, 1999 (2 Sessions)
February 26, 1999 (2 Sessions)
March 17, 1999 (2 Sessions)
March 18, 1999 (1 Session)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents were negligent, violated their fiduciary duty, breached their contract with Claimant, and engaged in fraud and deceit.

Respondents denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$450,000.00 in compensatory damages. Claimants further requested punitive damages, exemplary damages, pre and post award interest, attorney's fees, and costs.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety, attorney's fees, costs and forum fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either in 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.

On September 24, 1997, the NASD was informed that Claimant dismissed all claims against Frank L. King and Philip B. Anderson with prejudice. \

AWARD

- 1) 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:

The Panel finds that Respondents' motion for a directed verdict and/or non-suit is well taken and hereby grants the motion dismissing this action.

The Panel finds that Claimant has failed to present sufficient evidence, even indulging in and giving the Claimant every legitimate inference that may be legally drawn from the evidence presented to the Panel, that the investment in question was unsuitable for the Schmitz Family Trust. Moreover, the Panel finds that Respondents did not engage in any fraud or deception in connection with Claimant's purchase of its interest in the Oak Park South 1031 Exchange Program, nor did they breach their fiduciary duties with respect to said purchase.

Additionally, the Panel finds that the evidence presented by Claimant fails to state a claim because the evidence, on its face, indicates that the claims of fraudulent misrepresentation and/or concealment are time barred by the three year statute of limitations applicable to actions or claims sounding in fraud, and that the action or claims asserting a breach of fiduciary duty are likewise barred by either the four or two year statute of limitations applicable to such claims.

The Panel further finds that Claimant presented no credible evidence of a contractual relationship with Respondents, or a breach thereof, including a breach of the implied covenant of good faith and fair dealing and/or a breach of the NASD Rules of Fair Practice.

- 2) Each side shall bear its own costs and expenses, including attorney's fees.
- 3) Respondents' request for sanctions based upon the discovery hearing held in March 1997 is denied.
- 4) All references to Arbitration Case No. 96-02545 shall be expunged from Bill Ring's CRD record.
- 5) All relief not expressly granted is denied.

FORUM FEES

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

1 Single-Panelist Pre-Hearing Conference Session @ \$300.00 / Session	= \$300.00
3 Full Panel Pre-Hearing Conference Sessions @ \$750.00 / Session	= \$2,250.00
<u>10 Hearing Sessions @ \$750.00/ Session</u>	<u>= \$7,500.00</u>
Total Fees Assessed	= \$10,050.00

Total Fees Assessed to Claimant	= \$5,175.00
<u>Credit for Claimant's Hearing Session Deposit</u>	<u>= (\$750.00)</u>
Claimant's Balance Due	= \$4,425.00

<u>Total Fees to Respondent Titan Value Equities Group, Inc.</u>	<u>= \$4,875.00</u>
Respondent Titan Value Equities Group, Inc.'s Balance Due	= \$4875.00

Fees are payable to NASD Regulation, Inc.

OTHER FEES

Pursuant to Rule 10333 of the Code, Respondent Titan Value Equities Group, Inc. has paid to NASD Regulation, Inc. the \$350.00 member surcharge previously invoiced.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Herbert M. Schoenberg, Esq.	Chairman
Leo B. Rotter	Industry Arbitrator
Cathleen M. Cobb	Public Arbitrator

Concurring Arbitrators' Signatures

Herbert M. Schoenberg
Herbert M. Schoenberg, Esq.

Leo B. Rotter
Leo B. Rotter

Cathleen M. Cobb
Cathleen M. Cobb

Date of Service: March 19, 1999