

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

William and Jerry Gerbasi

v.

Arbitration No.
96-03668

Name of Respondents

Financial Network Investment Corp.,
Titan/Value Equities Group, Inc.,
CAI Securities Corporation,
Theodore Ragsdale,
Frank King,
Lawrence J. Lucas,
Ernest Lavagetto, and
Brian Tarbox

REPRESENTATION

For Claimants:

James J. Sullivan, Esq.
Attorney at Law
San Francisco, California

For Respondents:

Mark Wielga, Esq.
Judith I. Meyka, Esq.
Ballard Spahr Andrews & Ingersoll
Denver, Colorado

CASE INFORMATION

Statement of Claim filed:	August 20, 1996
Amendment to Statement of Claim filed:	April 17, 1997
Claimant's Submission Agreement signed:	August 9, 1996

Statement of Answer filed by Respondents Titan/Value Equities Group, Inc., Frank King, and Theodore Ragsdale:	December 26, 1996
Amended Statement of Answer filed by Respondents Titan/Value Equities Group, Inc., Frank King, and Theodore Ragsdale:	January 29, 1997
Amended Statement of Answer filed by Respondent Financial Network Investment Corp.:	January 8, 1997
Amended Statement of Answer filed by Respondents CAI Securities Corp., Lawrence J. Lucas, Ernest Lavagetto, and Brian Tarbox:	October 8, 1997
Respondent Titan/Value Equities Group, Inc.'s Submission Agreement signed:	November 14, 1996
Respondent Frank King's Submission Agreement signed:	November 20, 1996
Respondent CAI Securities Corp.'s Submission Agreement signed:	October 14, 1997
Respondent Ernest Lavagetto's Submission Agreement signed:	October 8, 1997
Respondent Lawrence Lucas's Submission Agreement signed:	October 9, 1997

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions:	April 7, 1997 (1 Session) June 6, 1997 (1 Session) September 25, 1997 (1 Session) September 25, 1997 (1 Session) October 17, 1997 (1 Session) February 27, 1998 (1 Session)
Hearing Dates / Sessions:	June 2, 1998 (2 Sessions) June 3, 1998 (2 Sessions) June 4, 1998 (2 Sessions)
Hearing Location:	Los Angeles, California

CASE SUMMARY

Claimants alleged Respondents committed misrepresentation, omission of material facts, negligence, breach of fiduciary duty, breach of the covenant of good faith and fair dealing, and violations of the NASD Rules of Fair Practice in the unsuitable recommendations and sale of investments for Claimants.

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

RELIEF REQUESTED

Claimants sought \$179,000.00 in compensatory damages, appropriate interest, punitive damages according to proof, and costs of arbitration.

Respondents requested that the Arbitration Panel dismiss the Claimants' claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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 agreed to receive conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

On February 5, 1997, Claimants dismissed Respondent Financial Network Investment Corp. with prejudice from this matter.

On October 21, 1997, Claimants dismissed Respondent Frank King with prejudice from this matter.

On July 2, 1997, the NASD received notification that Respondent Theodore Ragsdale had previously filed a Petition for Bankruptcy on October 22, 1993, thereby staying this action against him.

On February 6, 1998, Claimants dismissed Respondents Titan/Value Equities Group, Inc. and Theodore Ragsdale with prejudice from this matter.

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. Claimants' claims are denied in their entirety.
2. Each party shall bear their own 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 Claimants:

Two (2) Single Arbitrator Pre-Hearing Conference Sessions @ \$300.00 / Session	=	\$600.00
Four (4) Full-Panel Pre-Hearing Conference Sessions @ \$750.00 / Session	=	\$3,000.00
Six (6) Hearing Sessions @ \$750.00 / Session	=	\$4,500.00
Total Fees Assessed against Claimants	=	\$8,100.00
Credit for Hearing Session Deposit	=	(\$750.00)
Claimants' Balance Due	=	\$7,350.00

Fees are payable to NASD Regulation, Inc.

OTHER FEES

Pursuant to Rule 10333 of the Code, Respondent Financial Network Investment Corp. has paid to NASD Regulation, Inc. the \$350.00 member surcharge previously invoiced.

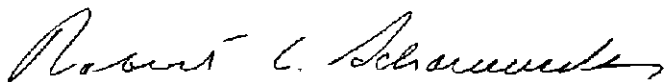
Pursuant to Rule 10333 of the Code, Respondent Titan/Value Equities Group, Inc. has paid to NASD Regulation, Inc. the \$350.00 member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code, Respondent CAI Securities Corp. shall pay to NASD Regulation, Inc. the past due \$50.00 out of the \$350.00 member surcharge previously invoiced.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert L. Schouweiler	Public Arbitrator
Roberta Haft	Industry Arbitrator
Philip W. Burge	Public Arbitrator

Concurring Arbitrators' Signatures



Robert L. Schouweiler

Roberta Haft

Philip W. Burge

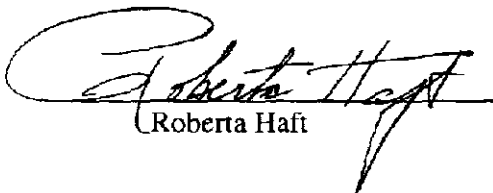
Date of Service: 6/10/98

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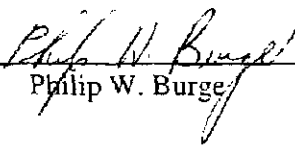
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Date of Service: _____

6/10/98