

AWARD**NASD REGULATION INC., OFFICE OF DISPUTE RESOLUTION**

In the matter of the Arbitration Between

Carolyn Lassise,

Claimant

v.

Arbitration No.

96-04346

Cameron Evans, John Doe, Titan/Value Equities Group, Franklin/Templeton Distributors, Inc.,

Respondents

Titan/Value Equities Group, Inc.,

Cross-Claimant,

v.

Cameron Evans; Franklin/Templeton Distributors, Inc.; Oppenheimer Funds Distributors, Inc.,

Cross-Respondents

Franklin/Templeton Distributors, Inc.,

Cross-Claimant

v.

Titan/Value Equities; Cameron Evans,

Cross-Respondents

REPRESENTATION

For Claimant:

H. Thomas Fehn, Esq.
Fields, Fehn & Sherwin
Los Angeles, California

For Respondent Cameron Evans:

Cameron Evans
In Pro per
Manhattan Beach, California

For Respondent/Cross-Claimant
Titan/Value Equities Group, Inc.:

G. Thomas Fleming, Esq.
Jones, Bell, Abbott, Fleming & Fitzgerald LLP
Los Angeles, California

For Respondent/Cross-Claimant
Franklin/Templeton Distributors, Inc.:

David M. Bartholomew, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondent Oppenheimer
Funds Distributors, Inc.:

David M. Bartholomew, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed:

September 9, 1996

Amendment to Statement of Claim filed:

July 30, 1997

Claimant's Submission Agreement signed:

September 14, 1996

Statement of Answer and Cross-Claim
filed by Respondent Titan/Value Equities
Group, Inc.:

December 30, 1996

Statement of Answer to Cross-Claim filed
by Cross-Respondent Titan/Value Equities
Group, Inc.:

June 24, 1997

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

November 20, 1996

Statement of Answer to Cross-Claim and
Cross-Claim filed by Respondent Franklin/
Templeton Distributors Inc.:

June 10, 1997

Respondent Franklin/Templeton Distributors,
Inc.'s Submission Agreement signed:

July 24, 1997

HEARING INFORMATION

Pre-Hearing Conference Date/Session:

July 24, 1997 (1 session)

Hearing Dates/Sessions:

December 15, 1997 (2 sessions)

December 16, 1997 (2 sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant alleged Respondents committed conversion, fraud, misrepresentation, breach of fiduciary duty, negligence, negligent infliction of emotional distress, intentional infliction of emotional distress, failure to supervise and gross negligence. Specifically, Claimant asserted that Respondent Evans misappropriated \$200,000.00 in funds from her for his personal use and that Respondent Titan/Value Equities Group, Inc. failed to supervise and breached its fiduciary duty when it did not prevent or thwart the actions of Respondent Evans. Additionally, Claimant alleged Respondent Franklin/Templeton Distributors, Inc. was grossly negligent when it failed to detect the actions of Respondent Evans.

Respondent Titan/Value Equities Group, Inc. denied Claimant's claims and Franklin/Templeton Distributors, Inc.'s claims in their entirety and asserted that the only parties that could have detected and prevented Respondent Evan's activities were Respondents Franklin/Distributors, Inc. or Oppenheimer Funds Distributors, Inc.

Respondent Franklin/Templeton Distributors, Inc. denied Claimant's claims and Respondent Titan/Value Equities Group, Inc.'s claims in their entirety and asserted that Respondent Titan/Value Equities Group, Inc. had a duty to supervise and control the actions of Respondent Evans.

RELIEF REQUESTED

Claimant sought compensatory damages in the amount of \$200,000.00, interest from the date of the loss according to proof, punitive damages, costs and reasonable attorney's fees.

Respondent Titan/Value Equities Group, Inc. sought dismissal of Claimant's Statement of Claim, dismissal of Respondent Franklin/Templeton Distributors, Inc.'s Cross-Claim, indemnification from Respondent Evans for all loss, expense and costs incurred in this proceeding, indemnity (or comparative contribution) from Respondents Franklin/Templeton Distributors, Inc. and Oppenheimer Funds Distributors, Inc., costs and attorney's fees (incurred in connection with the defense of the cross-action).

Respondent Franklin/Templeton Distributors, Inc. sought dismissal of Claimant's claims and Respondent Titan/Value Equities Group, Inc.'s Cross-Claims, indemnity or in the alternative, contribution from Respondents Titan/Value Equities Group and Cameron Evans, costs and reasonable attorney's fees (in connection with the defense of the cross-claim).

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 Regulation, Inc., Office of Dispute Resolution.

On May 29, 1997, Cross-Claimant Titan/Value Equities Group, Inc. dismissed its Cross-Claim against Cross-Respondent Oppenheimer Funds Distributors, Inc. without prejudice.

Although Respondent Cameron Evans filed no answer and did not appear at the arbitration hearing, he was personally served with all relevant documentation regarding this arbitration on August 25, 1997 at 8:25 p.m.

During the hearing, Claimant dismissed with prejudice Cameron Evans as a respondent in 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. Respondent Titan/Value Equities Group, Inc. is liable to and shall pay Claimant the sum of \$191,000.00 in compensatory damages.
2. Claimant's claim for punitive damages is denied.
3. Claimant's claim for costs and attorney's fees is denied.
4. Respondent Titan/Value Equities Group, Inc.'s Cross-Claim against Franklin/Templeton Distributors, Inc. is dismissed with prejudice.
5. Respondent Franklin/Templeton Distributors, Inc.'s Cross-Claim against Respondent Titan/Value Equities Group, Inc. is dismissed with prejudice.
6. Cross-Respondent Cameron Evans is liable to and shall pay Cross-Claimant Titan/Value Equities Group, Inc. the sum of \$191,000.00.
7. If any restitution is ordered payable by Cameron Evans to Claimant in case number SH96SF1132 (People v. Cameron Freeland Evans) in the Superior Court of the State of California for the County of Orange, said reimbursement shall be remitted by Carolyn Lassise to Respondent Titan/Value Equities Group, Inc. forthwith upon receipt.
8. Motion to leave the Record open until after Respondent Cameron Evans is sentenced in the pending criminal action is denied.

FORUM FEES

Pursuant to Rule 10332[®] of the Code of Arbitration Procedure, the following forum fees are assessed against Respondent Titan/Value Equities Group, Inc.:

One (1) Pre-Hearing Conference @ \$750.00/Session	= \$750.00
<u>Four (4) Hearing Sessions @ \$750.00/Session</u>	<u>= \$3,000.00</u>
Total Forum Fees Assessed	= \$3,750.00

Respondent Titan/Value Equities Group, Inc.'s Assessment	= \$3,750.00
<u>Credit for Hearing Session Deposit</u>	<u>= (\$600.00)</u>
Balance Due	= \$3,150.00

Claimant's Hearing Session Deposit of \$750.00 and Respondent Franklin/Templeton Distributors, Inc.'s Hearing Session Deposit of \$600.00 shall be refunded by NASD Regulation, Inc.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Mary L. Williams, Esq.	Public Arbitrator
Milton C. Bennett	Industry Arbitrator
Pamela Kay Nemeth	Public Arbitrator

Concurring Arbitrators' Signatures

Mary L. Williams
Mary L. Williams, Esq.

Milton C. Bennett

Pamela Kay Nemeth

Date of Service: 1/23/98

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Mary L. Williams, Esq.	Public Arbitrator
Milton C. Bennett	Industry Arbitrator
Pamela Kay Nemeth	Public Arbitrator

Concurring Arbitrators' Signatures

Mary L. Williams, Esq.


Milton C. Bennett

Pamela Kay Nemeth

Date of Service: _____

1/23/97

SENT BY:

1-21-98 : 2:34PM :

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Name

Mary L. Williams, Esq.
Milton C. Bennett
Pamela Kay Nemeth

Public/Industry
Public Arbitrator
Industry Arbitrator
Public Arbitrator

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