

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:  
Leonard Becker and Nancy Becker, Claimants v. Global Crown Capital, LLC and Rani  
T. Jarkas, Respondents

Case Number: 05-04722

Hearing Site: San Francisco, California

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Nature of the Dispute: Customers v. Member and Associated Person

**REPRESENTATION OF PARTIES**

For Claimants:

Edward M. Keech, Esq.  
Fitzgerald Abbott & Beardsley LLP  
Oakland, California

For Respondents:

Henry W. Carter, Esq.  
Global Crown Capital, LLC  
San Francisco, California

George L. Hampton, IV, Esq.  
Hampton Holley LLP  
Corona del Mar, California

**CASE INFORMATION**

Statement of Claim filed: September 7, 2005

Claimants' Joint Uniform Submission Agreement signed: September 2, 2005

Joint Statement of Answer filed by Respondents: December 28, 2005

Respondent Global Crown Capital, LLC's Uniform Submission Agreement signed:  
January 2, 2006

Respondent Rani T. Jarkas' Uniform Submission Agreement signed: January 2, 2006  
and July 24, 2006

### **CASE SUMMARY**

Claimants alleged unsuitability, churning, breach of fiduciary duty, fraud, and elder abuse. Claimants' claims involved a Cogent hedge fund, an investment with an overseas investment advisor, and trading in various securities including Amgen, Network Appliances, Neurocrine Bioscience, Stmicroelectronics, Texas Instruments, ASML Holdings, Veritas Software, Novellus, and Analogue Devices.

Respondents denied the allegations of wrongdoing set forth in Claimants' Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested \$549,000.00 in compensatory damages, \$400,000.00 in punitive damages, and unspecified attorney's fees.

Respondents requested dismissal of Claimants' Statement of Claim in its entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On March 20, 2006, Claimant Nancy Becker filed a request to dismiss her claims against Respondents without prejudice. On March 22, 2006, Respondents filed a notice that they did not accept Claimant Nancy Becker's request for dismissal without prejudice. As such, Claimant Nancy Becker remained a party in this matter.

On April 19, 2006, Claimants filed a motion to compel Respondents' response to Claimants' Request for Information and requested discovery sanctions. On April 20, 2006, Respondents filed an opposition to Claimants' motion. On April 21, 2006 and April 24, 2006, Claimants filed a reply in support of their motion. On April 27, 2006, the Chair and parties held a telephonic pre-hearing conference to hear oral argument on Claimants' motion. On April 27, 2006, after due deliberation, the Chair issued an Order granting Claimants' motion to compel and awarding Claimant \$1,500.00 in sanctions.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Global Crown Capital, LLC and Rani T. Jarkas are liable to and shall pay Claimant Leonard Becker the sum of \$512,000.00 in compensatory damages.
- 2) Respondents Global Crown Capital, LLC and Rani T. Jarkas are liable to and shall pay Claimant Leonard Becker interest on \$512,000.00 at the rate of 7% per annum from September 8, 2005 until the date that payment of this Award is made in full.
- 3) Claimant Nancy Becker's claims are dismissed with prejudice.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

### **FEEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 375.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Global Crown Capital, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

**Adjournment Fees**

The following adjournment fees are assessed:

May 22-26, 2006 hearing adjournment requested by parties = \$ 1,200.00

The Panel waived \$1,200.00 of the adjournment fees.

**Forum Fees and Assessments**

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

2 Decisions on discovery-related motions on the papers  
with one arbitrator @ \$200.00 each = \$ 400.00  
Claimant submitted two discovery-related motions

1 Pre-hearing conference session with one arbitrator @ \$450.00/session = \$ 450.00  
Pre-hearing conference: April 27, 2006 1 session

7 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 8,400.00  
Pre-hearing conferences: January 11, 2006 1 session  
February 16, 2006 1 session  
July 18, 2006 1 session  
November 28, 2006 1 session  
December 7, 2006 1 session  
December 18, 2006 1 session  
January 10, 2007 1 session

12 Hearing sessions @ \$1,200.00/session = \$14,400.00  
Hearings: December 11, 2006 2 sessions  
December 12, 2006 2 sessions  
December 13, 2006 2 sessions  
December 14, 2006 2 sessions  
December 15, 2006 2 sessions  
January 15, 2007 2 sessions

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**Total Forum Fees = \$23,650.00**

The Panel assessed \$23,650.00 of the forum fees jointly and severally to Respondents.

**Fee Summary**

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
<b>Refund Due Claimants</b>	<b>= \$(1,200.00)</b>
  
2. Respondent Global Crown Capital, LLC is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>
  
3. Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$23,650.00
<u>Less unused mediation funds by Global Crown Capital, LLC</u>	<u>= \$( 73.94)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$23,576.06</b>

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Hert) Schwartz	-	Public Arbitrator, Presiding Chair
Donald H. Korn	-	Public Arbitrator
Robert M. Greber	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Hert) Schwartz  
Chair, Public Arbitrator

1/17/07  
Signature Date

Donald H. Korn  
Public Arbitrator

\_\_\_\_\_  
Signature Date

Robert M. Greber  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

1/18/07  
Date of Service

**ARBITRATION PANEL**

Herb Schwartz	-	Public Arbitrator, Presiding Chair
Donald H. Korn	-	Public Arbitrator
Robert M. Greber	-	Non-Public Arbitrator

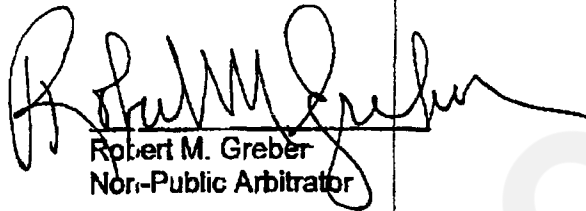
**Concurring Arbitrators' Signatures**

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Herb Schwartz  
Chair, Public Arbitrator

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Signature Date

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Donald H. Korn  
Public Arbitrator

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Signature Date

  
\_\_\_\_\_  
Robert M. Greber  
Non-Public Arbitrator

05/17/2007  
\_\_\_\_\_  
Signature Date

1/18/07  
\_\_\_\_\_  
Date of Service