

**Award  
FINRA Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Lanfear Capital Advisers, LLC

Case Number: 08-01035

Name of the Respondents  
Global Crown Capital, LLC  
Rani Tarek Jarkas

Hearing Site: San Francisco, California

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**Nature of the Dispute: Customer vs. Member and Associated Person**

**REPRESENTATION OF PARTIES**

Claimant Lanfear Capital Advisers, LLC hereinafter referred to as "Claimant": Jahan P. Raissi, Esq., Shartsis Friese LLP, San Francisco, California

Respondent Global Crown Capital, LLC hereinafter referred to as "Global Crown": Melvin K. Patterson, Esq., Global Crown, LLC, San Francisco, California

Respondent Rani Tarek Jarkas hereinafter referred to as "R. Jarkas": David G. Finkelstein, Esq., Law Offices of David G. Finkelstein, San Mateo, California

**CASE INFORMATION**

Statement of Claim filed on or about: April 8, 2008

Claimant signed the Submission Agreement: March 28, 2008

Joint Statement of Answer filed by Global Crown and R. Jarkas on or about: June 2, 2008

Respondent Global Crown signed the Submission Agreement: June 2, 2008

Respondent R. Jarkas signed the Submission Agreement: June 15, 2008

Claimant's Response to the Joint Statement of Answer filed on or about: July 25, 2008

**CASE SUMMARY**

Claimant asserted the following causes of action: fraud, violations of federal and state securities laws, violations of state statutory and common law, negligent misrepresentation, breach of fiduciary duty, churning and excessive trading, and breach

of FINRA standards. The causes of action relate to transactions in unspecified securities in two securities accounts and in a Cogent Capital Hedge Fund.

Unless specifically admitted in their Answer, Global Crown and R. Jarkas denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

1. Compensatory damages of at least \$1,700,000.00, the exact amount to be determined at the hearing;
2. Unspecified punitive damages;
3. Costs and attorneys' fees;
4. The assessment of forum fees against Respondents; and
5. Such other relief as the Panel deems appropriate.

Global Crown and R. Jarkas requested the dismissal of all claims in their entirety.

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

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

On June 16, 2009, Global Crown filed a motion to exclude all evidence relating to the Cogent Hedge Fund. On June 19, 2009, Claimant filed an opposition to the motion. In a June 19, 2009 order, the Panel advised the parties that the motion would be addressed prior to commencement of the June 22, 2009 evidentiary hearing. At the evidentiary hearing, the Panel denied the motion to exclude all evidence relating to the Cogent Hedge Fund, and denied a motion to stay all claims relating to the Cogent Hedge Fund.

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Global Crown and R. Jarkas are jointly and severally liable for and shall pay Claimant \$1,000,000.00 for losses in its Global Crown accounts 54002084 and 11272606, 54000500 and 11272598 (a/k/a accounts A & B).
2. Global Crown and R. Jarkas are jointly and severally liable for and shall pay Claimant \$688,000.00 for losses in its Cogent Capital Management account.
3. Global Crown and R. Jarkas are jointly and severally liable for and shall pay Claimant interest on \$1,688,000.00 at the rate of 7% from July 15, 2009 until date of full payment of the award.

4. Claimant's requests for attorneys' fees and costs are denied.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### FEES

Pursuant to the Code, the following fees are assessed:

#### Filing Fees

FINRA Dispute Resolution assessed a filing fee\* for each claim:

Initial claim filing fee = \$1,800.00

*\*The filing fee is made up of a non-refundable and a refundable portion.*

#### Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Global Crown Capital, LLC is assessed the following:

Member surcharge = \$2,800.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$5,000.00

#### Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 20-24, 2009 hearing adjournment requested by Respondents = \$1,200.00

The Panel has assessed \$400.00 of the adjournment fee to Claimant.

The Panel has assessed \$400.00 of the adjournment fee to Global Crown.

The Panel has assessed \$400.00 of the adjournment fee to R. Jarkas.

#### Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena  
One (1) arbitrator@ \$200.00 = \$200.00

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Total Contested Motion for Issuance of Subpoenas Fees = \$200.00

1. The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees to Claimant.
2. The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees to Global Crown and R. Jarkas, jointly and severally.

**Hearing Session Fees and Assessments**

The Panel has assessed hearing session fees for each session conducted. 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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00/session = \$ 1,350.00

Pre-hearing conferences: April 14, 2009 1 session  
April 17, 2009 1 session  
June 10, 2009 1 session

Three (3) Pre-hearing sessions with Panel @ \$1200.00/session = \$3,600.00

Pre-hearing conferences: September 8, 2008 1 session  
November 24, 2008 1 session  
May 8, 2009 1 session

Nine (9) Hearing sessions @ \$1200.00/session = \$10,800.00

Hearing Dates: June 22, 2009 2 sessions  
June 23, 2009 2 sessions  
June 24, 2009 2 sessions  
June 25, 2009 1 session  
June 26, 2009 2 sessions

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**Total Hearing Session Fees = \$15,750.00**

1. The Panel has assessed \$7,875.00 of the hearing session fees to Claimant.
2. The Panel has assessed \$7,875.00 of the hearing session fees to Global Crown and R. Jarkas, jointly and severally.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

**ARBITRATION PANEL**

Thomas C. McNally, III - Public Arbitrator, Presiding Chairperson  
Roberta R. Jeffrey - Public Arbitrator  
Marvin G. Breen - Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Thomas C. McNally, III  
Public Arbitrator, Presiding Chairperson

7/6/09  
Signature Date

\_\_\_\_\_  
Roberta R. Jeffrey  
Public Arbitrator

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

\_\_\_\_\_  
Marvin G. Breen  
Non-Public Arbitrator

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

July 8, 2009  
Date of Service (For FINRA Dispute Resolution use only)

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Marvin G. Breen  
Non-Public Arbitrator

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Signature Date

July 6, 2009  
\_\_\_\_\_  
Date of Service (For FINRA Dispute Resolution use only)

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Roberta R. Jeffrey  
Public Arbitrator

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

*Marvin G. Breen*  
\_\_\_\_\_  
Marvin G. Breen  
Non-Public Arbitrator

*7-6-2009*  
\_\_\_\_\_  
Signature Date

*July 8, 2009*  
\_\_\_\_\_  
Date of Service (For FINRA Dispute Resolution use only)