
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Tracy Sanders

Case Number: 05-02464

Names of the Respondents
Investprivate, Inc.
Vincent Franzone

Hearing Site: Birmingham, Alabama

The Name of Third Party Respondent
Larry Thompson

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

REPRESENTATION OF PARTIES

For Tracy Sanders, hereinafter referred to as "Claimant": Brian M. Clark, Esq., Wiggins, Childs, Quinn & Pantazis, Birmingham, Alabama.

For Investprivate, Inc. ("Investprivate") and Vincent Franzone ("Franzone"), hereinafter referred to as "Respondents": Eric S. Hutner, Esq., Hutner Klarish LLP, New York, New York.

Third Party Respondent Larry Thompson ("Thompson"), hereinafter referred to as "Third Party Respondent": Lewis Page, Esq., Page Law Firm, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: May 11, 2005.

Claimant signed the Uniform Submission Agreement: February 23, 2005.

Statement of Answer, Third Party Claim and Motion to Transfer Venue filed by Respondents on or about: August 4, 2005.

Response to Third Party Claim filed by Third Party Respondent Thompson on or about: October 21, 2005.

Respondent Investprivate signed the Uniform Submission Agreement: June 21, 2005.

Respondent Franzone signed the Uniform Submission Agreement: July 23, 2005.

Third Party Respondent Thompson did not file a signed Uniform Submission Agreement.

Opposition to Motion to Transfer Venue and Response to Statement of Answer filed by Claimant on or about: August 25, 2005.

Motion for Award by Default or, in the Alternative Motion to Bar Third Party Respondent from

Presenting Evidence at the Hearing filed by Respondents on or about: October 12, 2005.

Response to Motion for Award by Default or, in the Alternative Motion to Bar Third Party Respondent

From Presenting Evidence at the Hearing filed by Third Party Respondent on or about: October 21, 2005.

Motion for Summary Judgment filed by Respondents on or about: January 31, 2006.

Opposition to Motion for Summary Judgment filed by Claimant on or about: February 15, 2006.

Reply in Further Support of Motion for Summary Judgment filed by Respondents on or about: February 22, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of the Securities Act of 1933; 2) violation of the Alabama Code §8-6-3, §8-6-4, §8-6-17 and §8-6-19; and, 3) suppression with intent to defraud. The causes of action relate to the purchase of shares of Invatech, a privately held company, in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, Respondents filed a Third Party Claim against Third Party Respondent Thompson for indemnification/contribution alleging that he had principal responsibility for making recommendations, effecting transactions and otherwise servicing Claimant's account.

Unless specifically admitted in his Answer to the Third Party Claim, Third Party Respondent Thompson denied the allegations made in the Third Party Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$50,000.00, punitive damages in the amount of \$150,000.00, interest, reasonable attorneys' fees, costs and other relief.

Respondents requested that the Statement of Claim be dismissed in its entirety, an award in their favor on the Third Party Claim for indemnification based on actual damages requested only, costs and disbursements, attorneys' fees and such other relief as the Panel deemed just and proper. In addition, at the final hearing, Respondents requested that the Panel expunge their NASD Central Registration Depository (the "CRD") records.

Third Party Respondent Thompson requested that the Third Party Claim be dismissed in its entirety, and an award of costs and disbursements, including attorney's fees and such other relief as the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Third Party Respondent Thompson did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the third party claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

On November 10, 2005, a telephonic hearing was held. Pursuant to that hearing, the Panel issued an Order that denied Respondents' Motion to Transfer Venue. The Panel also stated that, during the telephonic hearing, Respondents withdrew their Motion for a Default Award against Third Party Respondent Thompson.

On March 3, 2006, the Panel issued an Order that denied Respondents' Motion for Summary Judgment.

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten 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:

Respondents Investprivate and Franzone are found liable for violation of the Alabama Code §8-6-3, §8-6-4, §8-6-17 and §8-6-19 and Respondent Investprivate only is liable for monetary damages and shall pay to Claimant compensatory damages in the amount of \$48,750.00, plus interest at the rate of 6% per annum from December 1, 2002 until the date of payment of the Award.

Respondents are found liable and Respondent Investprivate only is liable for monetary damages and shall pay to Claimant the sum of \$300.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Respondents' Third Party Claim is denied in its entirety.

Respondents' request for expungement of their NASD CRD records is denied.

Claimant's requests for attorneys' fees and punitive damages are denied.

Any and all claims for relief not specifically addressed herein, including Respondents and Third Party Respondent Thompson's requests for attorneys' fees, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
Third party claim filing fee	= \$ 1,000.00

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, Respondent Investprivate is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

Adjournment Fees

No requests for adjournments were filed in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No cancellation fees were assessed during this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: October 31, 2005	1 session
November 10, 2005	1 session
Four (4) Hearing sessions with the Panel @ \$1,125.00	= \$4,500.00
Hearing Dates: June 6, 2006	2 sessions
June 7, 2006	2 sessions
Total Forum Fees	= \$6,750.00

The Panel has assessed the total forum fees of \$6,750.00 to Respondent Investprivate.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this matter.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent Investprivate is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 6,750.00
<u>Total Fees</u>	= \$ 11,950.00
<u>Less payments</u>	= \$ 5,800.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 6,150.00

Respondents are jointly and severally liable for:

<u>Third Party Claim Filing Fee</u>	= \$ 1,000.00
<u>Total Fees</u>	= \$ 1,000.00
<u>Less payments</u>	= \$ 1,000.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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

ARBITRATION PANEL

<i>A. Keith Logue, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>John F. O'Neill, Jr., Esq.</i>	-	<i>Public Arbitrator</i>
<i>Stephen B. Agricola</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
A. Keith Logue, Esq.
Public Arbitrator, Presiding Chairperson

06/09/06
Signature Date

/s/
John F. O'Neill, Jr., Esq.
Public Arbitrator

06/09/06
Signature Date

/s/
Stephen B. Agricola
Non-Public Arbitrator

06/09/06
Signature Date

06/09/06
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No.05-02464
Award Page 5

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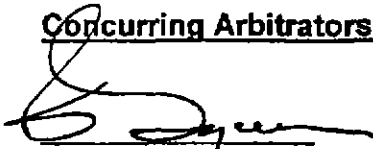
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Award Page 6



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