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**AWARD**

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

In the matter of the Arbitration Between

Name of Claimant

Stephen T. Rangen

v.

Arbitration No.  
95-00444

Name of Respondent

Gilford Securities, Inc. and Lawrence Wachler  
and Ralph Worthington

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**REPRESENTATION**

For Claimant:

Stephen T. Rangen  
In Pro Per  
Los Angeles, California

For Respondent:

Robert A. Uhl, Esq.  
Robert A. Uhl, Inc.  
Beverly Hills, California

**CASE INFORMATION**

Statement of Claim filed: January 22, 1995

Amended Statement of Claim filed: May 23, 1996

Claimant's Submission Agreement signed: February 25, 1995

Respondent's Statement of Answer  
and Counter-claim filed: June 19, 1995

Response to Answer  
and Counter-claim filed: July 11, 1995

Respondent Gilford Securities Inc.'s  
Submission Agreement Signed:

June 19, 1995

Respondent Lawrence Wachler's  
Submission Agreement signed:

June 19, 1995

### **HEARING INFORMATION**

Pre Hearing Conference Dates / Sessions:

January 3, 1996	(1 Session)
February 27, 1996	(1 Session)
June 2, 1997	(1 Session)
June 24, 1997	(1 Session)
July 31, 1997	(1 Session)
August 20, 1997	(1 Session)
August 26, 1997	(1 Session)
November 18, 1997	(1 Session)

Hearing Dates / Sessions:

December 16, 1997	(2 Sessions)
December 17, 1997	(2 Sessions)
December 18, 1997	(2 Sessions)

Hearing Location:

Los Angeles, California

### **CASE SUMMARY**

Claimant alleged that Respondents breached Claimant's employment contract, committed wrongful termination, engaged in fraud and malice, violated NASD Rules and failed to exercise reasonable diligence and good faith. Respondent denied each and every allegation of wrongdoing set forth in Claimant's Statement of Claim.

Respondent denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim. In Respondent Gilford's Counterclaim, Gilford alleged that Rangen owed Gilford money pursuant to the "Staples Settlement" and that Rangen was in possession of books and records that are the property of Gilford.

### **RELIEF REQUESTED**

Claimant sought compensatory damages of approximately \$500,000.00 plus pre-award and post-award interest, reasonable attorney's fees and the arbitration costs. Claimant also sought punitive damages in the amount of \$1,000,000.00.

Respondent requested that the complaint be dismissed in its entirety, that Claimant be required to pay all filing fees and that Claimant be ordered to reimburse Gilford for their reasonable expenses, including all lodgings legal fees, travel costs, expert witness fees and costs incurred in connection with the defense of these claims. Respondent Gilford also sought \$28,921.18 and the return of books and records from Rangen.

### **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.

### **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. Respondents' Motion to Dismiss is granted. All of the Claimant's claims, including the claim for punitive damages, are denied in their entirety.
2. Pursuant to Respondent Gilford's Counterclaim Stephen T. Rangen is liable to and shall pay Gilford Securities, Inc. the sum of \$34,428.80.
3. Stephen T. Rangen is liable to and shall pay Gilford Securities, Inc. the sum of \$500.00 to reimburse Respondent Gilford for the Counterclaim filing fee.
4. Claimant is liable to and shall pay Respondent \$21,134.10 in Attorneys' fees pursuant to California Code of Civil Procedure Section 128.5 and the authorities cited by Respondents during the hearing.
5. Pursuant to the order dated November 21, 1997, Stephen T. Rangen shall pay the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$500.00 as a sanction.
6. Any reference to this claim or arbitration proceeding are ordered expunged from each Respondent's Central Registration Depository record.

### FORUM FEES

Pursuant to Rule 10332 (c) of the Code of Arbitration Procedure, the following forum fees are assessed against Stephen T. Rangen:

Six Single Member Pre-Hearing Conference Sessions @ \$ 300.00/ Session	= \$1,800.00
Two Full Panel Pre- hearing Conference Sessions @ \$ 1,000.00 / Session	= \$2,000.00
Six Hearing Sessions @ \$1,000.00 Session	= \$6,000.00

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Total Forum Fees Assessed Against Stephen T. Rangen	= \$9,800.00
Sanction per order dated November 21, 1997	= \$500.00

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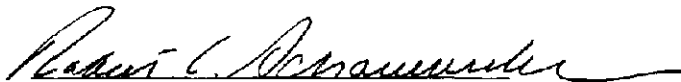
Total Fees Sanctions Against Stephen T. Rangen	= \$10,300.00
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Fees are payable to NASD Regulation, Inc.

**ARBITRATORS**

<u>Name</u> .....	<u>Public / Industry</u>
Robert L. Schouweiler, Esq.	Public Arbitrator
Wendy L. Kohn, Esq.	Industry Arbitrator
Leo M. Klein, CPA	Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Robert L. Schouweiler, Esq.

\_\_\_\_\_  
Leo M. Klein, CPA

Dissenting as to the award of attorney's fees and concurring as to all other parts of the award.

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Wendy L. Kohn, Esq.

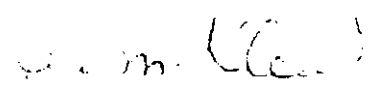
Date of Service: 7 January 1995

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert L. Schouweiler, Esq.	Public Arbitrator
Wendy L. Kohn, Esq.	Industry Arbitrator
Leo M. Klein, CPA	Public Arbitrator

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Leo M. Klein, CPA

Dissenting as to the award of attorney's fees and concurring as to all other parts of the award.

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Wendy L. Kohn, Esq.

Date of Service: 7 January 1999

ARBITRATORS

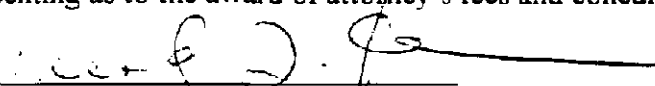
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Wendy L. Kohn, Esq.

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