

**Stipulated Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Howard Altabet and Leona Altabet, (Claimants) vs. Investment Services Capital Co.,  
Christopher Rani and Anthony Rani, (Respondents)

Case Number: 99-04603

Hearing Site: New York, NY

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**REPRESENTATION OF PARTIES**

Claimants Howard Altabet and Leona Altabet, hereinafter collectively referred to as "Claimants": Kim Steven Juhase, Esq., Novak & Juhase, Woodmere, NY.

Respondents Anthony Rani ("A. Rani") and Christopher Rani ("C. Rani"): Joseph Rani, Esq., Rani Vassalle, LLP, New York, NY.

Respondent, Investment Services Capital ("Investment Services"): Ruthann Niosi, Esq., a sole practitioner, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: October 8, 1999.

Answer to Counterclaim filed on or about: April 2, 2000

Answer to Amended Counterclaim filed on or about: June 8, 2000.

Claimants signed the Uniform Submission Agreement: September 25, 1999.

Statement of Answer, Counterclaim and Cross-Claim filed by Respondents A. Rani and C. Rani on or about: March 6, 2000.

Amended Counterclaim filed by Respondents A. Rani and C. Rani on or about: May 18, 2000.

Respondent C. Rani signed the Uniform Submission Agreement but did not date it.

Respondent A. Rani signed the Uniform Submission Agreement: May 4, 2000.

Statement of Answer filed by Investment Services on or about: February 27, 2000.

Respondent Investment Services did not submit a properly executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of contract; fraud; negligence;

churning; unauthorized transactions; respondeat superior; violation of Rules 10(b), 10(b)5, 15(c)(1), 15(c)(1)-2, and 19(b) of the Exchange Act.

Unless specifically admitted in its Answer to the Counterclaim and Amended Counterclaim, Claimants asserted the following defenses: privilege; truth; the Respondents' Counterclaims are not encompassed within the parties' arbitration agreement and that their claim exceeds the authority of the arbitration panel.

Unless specifically admitted in its Answer, Respondent Investment Capital denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants have failed to state a claim upon which relief may be granted; any losses suffered by the Claimants are the result of the market loss and they are not entitled to recovery; Claimants' losses were proximately caused by their own conduct and they are precluded from recovery; estoppel; authorization and consent; assumption of risk; Statute of Limitations; failure to establish a cognizable claim under Section 10(b) or Rule 10b-5 and ratification.

Unless specifically admitted in its Answer, Respondents C. Rani and A. Rani denied the allegations made in the Statement of Claim and adopted the affirmative defenses set forth by Respondent Investment Services.

Respondents C. Rani and A. Rani filed a Cross-Claim against Investment Services seeking contribution and/or indemnification.

Respondents C. Rani and A. Rani filed a Counterclaim against the Claimants and asserted the following causes of action: slander; libel and defamation.

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$136,280.50 plus interest at the rate of 9% per annum accruing from May 12, 1998. In addition, Claimants requested the return of profits and commissions and the rescission of all option contracts.

Respondent Investment Capital requested that the claims against it be dismissed in their entirety; that should the Panel find against any of the Respondents, the award be specifically apportioned among the Respondents; that the costs of the hearing not be held against Respondents; that the Claimants be ordered to pay the NASD assessment made against Investment Capital because of the filing of this case and any other just and equitable remedies.

Respondents C. Rani and A. Rani, in their Cross-Claim against Investment Services, requested contribution and/or indemnification.

Respondents C. Rani and A. Rani, in their Counterclaim requested compensatory damages in the amount of \$500,000.00.

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

Respondent Investment Services did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Prior to the conclusion of the hearing, all parties agreed to enter a Stipulation of Award which they executed on July 9, 2001, and is attached hereto as "Exhibits 1 & 2." This Stipulation of Award attached hereto is being submitted to the panel for its consideration.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

### **STIPULATED AWARD**

On July 9, 2001, the parties entered an agreement to present to the panel a Stipulated Award. Now, in lieu of additional hearings and upon motion of both parties for entry of an award, the written stipulation thereto, the panel hereby grants the motion and enters this award granting the following relief:

1. Respondents C. Rani and A. Rani jointly agree to pay to the Claimants \$1,500.00 in attorney fees. Payment of the attorney's fees shall be made on or before July 31, 2001 by an escrow check from Joseph Rani and made payable to Novak and Juhase.
2. Claimants withdraw their claims, with prejudice, against Respondents C. Rani and A. Rani.
3. Claimants shall be jointly and severally liable for the assessment of Respondents C. Ranni and A. Ranni's forum fees including filing fees and costs.
4. The panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Christopher Rani's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Christopher Rani must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. The panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Anthony Rani's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Anthony Rani must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

6. Any and all relief not specifically addressed herein is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$ 300.00
Counterclaim filing fee	= \$ 300.00

#### **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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

#### **Adjournment Fees**

Adjournments requested during these proceedings:

January 30, 31, 2001, adjournment by Claimants	= \$ 1,125.00
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#### **Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: September 20, 2000	1 session

Three (3) Hearing sessions x \$1,125.00	= \$ 3,375.00
Hearing Dates: June 18, 2001	2 sessions
July 9, 2001	1 session

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Total Forum Fees	= \$ 4,500.00
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1. The Panel has assessed \$2,250.00 of the forum fees against the Claimants.
2. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against

- Respondents Investment Services, C. Rani, and A. Rani.
3. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against C. Rani and A. Rani.

**Fee Summary**

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$2,250.00</u>
Total Fees	= \$2,550.00
<u>Less payments</u>	= <u>\$2,175.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 375.00

2. Respondent Investment Services be and hereby is solely liable for:

<u>Member Fees</u>	= <u>\$4,600.00</u>
Total Fees	= \$4,600.00
<u>Less payments</u>	= <u>\$2,432.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,168.00

3. Respondents Investment Services, C. Rani and A. Rani. be and hereby are jointly and severally liable for:

Forum Fee	= \$1,125.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

4. Respondents C. Rani and A. Rani. be and hereby are jointly and severally liable for:

Forum Fee	= \$1,125.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

5. Claimants and Respondents Investment Services, C. Rani and A. Rani be and hereby jointly and severally liable for:

Adjournment Fee	= \$1,125.00
<u>Less payments</u>	= <u>\$ 187.50</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 937.50

All balances are due and payable to NASD Dispute Resolution, Inc.

Arbitration No. 99-04603

Award Page 6

ARBITRATION PANEL

Cyril Jefferson, Esq.	-	Public Arbitrator, Presiding Chair
John A. Astorina, Esq.	-	Public Arbitrator
Matthew H. Frank	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is the Stipulated Award.

  
Cyril Jefferson, Esq.  
Public Arbitrator, Presiding Chair

1/23/02  
Signature Date

\_\_\_\_\_  
John A. Astorina, Esq.  
Public Arbitrator

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

\_\_\_\_\_  
Matthew H. Frank  
Industry Arbitrator

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

\_\_\_\_\_  
January 29, 2002

Date of Service (For NASD office use only)

**ARBITRATION PANEL**

Cyril Jefferson, Esq.	-	Public Arbitrator, Presiding Chair
John A. Astorina, Esq.	-	Public Arbitrator
Matthew H. Frank	-	Industry Arbitrator

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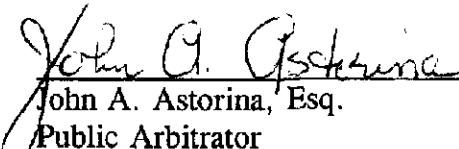
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Cyril Jefferson, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

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John A. Astorina, Esq.  
Public Arbitrator

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1/16/02  
Signature Date

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Matthew H. Frank  
Industry Arbitrator

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Signature Date

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January 29, 2002  
Date of Service (For NASD office use only)

**ARBITRATION PANEL**

Cyril Jefferson, Esq.	-	Public Arbitrator, Presiding Chair
John A. Astorina, Esq.	-	Public Arbitrator
Matthew H. Frank	-	Industry Arbitrator

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Cyril Jefferson, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

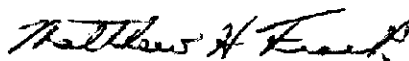
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John A. Astorina, Esq.  
Public Arbitrator

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Signature Date

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Matthew H. Frank  
Industry Arbitrator

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1/16/02  
Signature Date

January 29, 2002

Date of Service (For NASD office use only)

**RECIPIENTS:**

John A. Astorina, Esq.  
Cyril A. Jefferson, Esq.  
Matthew H. Frank



NATIONAL ASSOCIATION OF SECURITIES DEALERS  
ARBITRATION OFFICE: NY NY X

In re

Howard Altabet and LEONA ALTABET

- against -

File # 99-460

Investment Services Capital Co.  
Christopher Ranni and Anthony Ranni X

Stipulation and  
 Consent Order

It is agreed by and between the  
 parties and ~~their~~ their attorneys as follows:

1. Respondents Christopher Ranni and Anthony Ranni  
 jointly agree to pay claimant \$1,500 for  
 his attorney's fee and not for damages.

2. Claimants withdraw their claims against  
 the respondents C. Ranni and A. Ranni with  
 prejudice and claimant consents to the  
 assessment of the Ranni's forum fees  
 (ALL FILING  
 FEES, COSTS,  
 ETC.) to be against the claimants

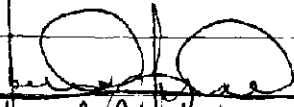
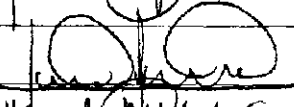
3. Payment of the \$1,500 under para. 1 shall  
 be made on or before July 31, 2001  
 by an escrow check from Joseph Ranni  
 and payable to Nough & Tolase.

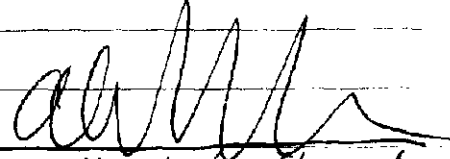
4. The parties consent to an expungement  
 of this matter from the records of their  
 NASD, CRD and U-5. The parties consent to  
 cooperate to judicially expunge the Ranni's  
 records.

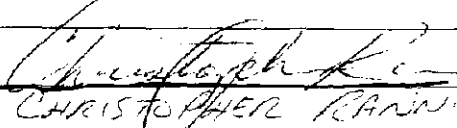
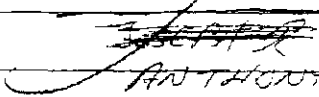
5. Upon signing this agreement by the parties, the attorneys and the Panel members shall be deemed an award of the NASD.

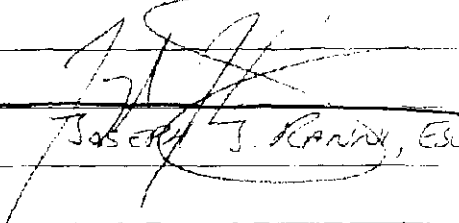
6. Respondents withdraw their counter-claims with prejudice

Dated: ~~July~~ July 9, 2001

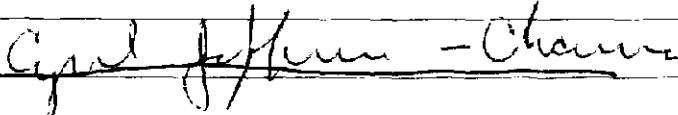
  
Howard Altabet  
  
Howard Altabet for his former Altabet

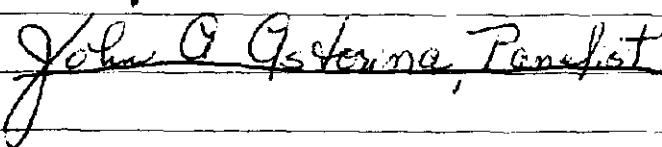
  
Alex Noutak for Claimant

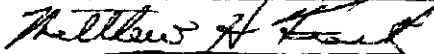
  
CHRISTOPHER RANNI  
  
ANTHONY RANNI

  
Joseph J. Ranni, Esq.

So Ordered:

  
John A. Osterman - Chairman

  
John A. Osterman, Panelist

  
Matthew H. Kent

NASD  
DEPARTMENT OF ARBITRATION

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In the Matter of the Arbitration between  
ALTABET, et al

v.

CHRISTOPHER RANNI, et al  
-----

Docket No. 99-04603

**AWARD AND ORDER TO  
EXPUNGE RECORD OF  
CHRISTOPHER RANNI**

This matter having been opened to the Arbitration Panel by letter motion of Joseph J. Ranni for expungement of records and it appearing that the requirements for expungement have been satisfied:

It is on this \_\_\_\_\_ day of December, 2001 Ordered that the Central Registration Depository ("CRD") of NASDR, Inc. remove from its records all information regarding CHRISTOPHER RANNI and relating to NASD Arbitration No. 99-04603

It is further Ordered that any regulatory agency which possesses records which includes any such information related to CHRISTOPHER RANNI as a Respondent in the above referenced arbitration proceeding which is the subject of this Order, remove from its records all such information;

It is further Ordered that any records or information removed from any aforementioned agency or entity pursuant to this Order shall be deemed expunged;

It is further Ordered that the expunged records of the information therein, shall not be released or utilized for any reason and the person designated to control expunged records shall take sufficient precautions to insure that such records or information are not released;

It is further Ordered that in response to requests for information or records, any entity so notified of this Order shall reply, with respect to CHRISTOPHER RANNI as a Respondent in the arbitration proceeding which is the subject of this Order, there is NO RECORD information.

It is further Ordered that the arbitration proceeding as concerning CHRISTOPHER RANNI which is the subject of this Order shall be deemed not to have occurred and the Petitioner may answer accordingly any question relating to its occurrence.

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Chairman, NASD Arb. Panel

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Arbitrator, NASD Arb. Panel

*Matthew H. Fink*

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Arbitrator, NASD Arb. Panel

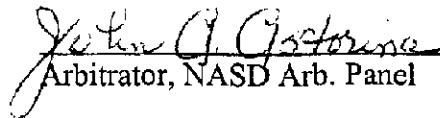
It is further Ordered that the arbitration proceeding as concerning CHRISTOPHER RANNI which is the subject of this Order shall be deemed not to have occurred and the Petitioner may answer accordingly any question relating to its occurrence.

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Chairman, NASD Arb. Panel

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Arbitrator, NASD Arb. Panel

  
Arbitrator, NASD Arb. Panel