

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Cooper Resources Company, LLC, Claimant v. Raike Financial Group, Inc. and David L. Stavish, Respondents

Case Number: 01-01982

Hearing Site: Charlotte, North Carolina

REPRESENTATION OF PARTIES

For Cooper Resources Company, LLC, hereinafter referred to as "Claimant": Eric Hovdesven, Esq., Sadler & Hovdesven, P.C., Atlanta, Georgia.

For Raike Financial Group, Inc. ("Raike") and David L. Stavish ("Stavish"), hereinafter collectively referred to as "Respondents": Ruthann G. Niosi, Esq., Law Offices of Ruthann G. Niosi, New York, New York.

CASE INFORMATION

Statement of Claim filed: April 12, 2001.

Claimant's Uniform Submission Agreement signed: April 4, 2001.

Statement of Answer filed by Respondents: June 24, 2001.

Respondent Raike's Uniform Submission Agreement signed: October 5, 2001.

Respondent Stavish's Uniform Submission Agreement signed: October 4, 2001.

CASE SUMMARY

Claimant alleged the following causes of action: 1) violation of Section 10 of the Securities Exchange Act of 1934, SEC Rule 10b-5; 2) common law fraud and securities fraud in violation of North Carolina law; 3) unsuitability; 4) misrepresentation and omission of material facts; and 5) failure to supervise. The causes of action relate to investments in shares of stock in 3Com Corp., Covad and Pacific Mercantile Bancorp.

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

RELIEF REQUESTED

Claimant requested: 1) compensatory damages, plus margin interest, in the amount of \$243,013.38 for trading losses; 2) reasonable attorneys' fees in the amount of \$120,000.00; 3) interest in the amount of \$18,225.97; 4) costs; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal of the Claimant's Statement of Claim in its entirety; 2) the Statement of Claim and any reference thereto be ordered expunged from Respondent Stavish's CRD record; 3) that any award against Respondents be specifically apportioned among Respondents; 4) that costs not be assessed to Respondents; and 5) such other relief the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 3, 2002, Respondents filed their motion to preclude wherein Respondents requested the Panel to enter an order precluding Claimant from producing any evidence at the hearing and that Claimant produce discovery. Respondents requested an adjournment of the evidentiary hearing scheduled for May 15-16, 2002 based upon Claimant's alleged failure to produce discovery. On or about March 11, 2002, Claimant filed its response wherein Claimant advised that it had responded to Respondents' request for discovery. On or about March 19, 2002, the Panel denied Respondents' motion to preclude and the Panel denied Respondents' request to adjourn the evidentiary hearing.

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, and the post-hearing submissions (if any), the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents are jointly and severally liable and shall pay to Claimant compensatory damages in the amount of \$32,000.00, pre-judgment interest denied.
- 2) Respondents are jointly and severally liable and shall pay to Claimant the amount of \$150.00 which represents one-half reimbursement of the claim filing fee charged to Claimant.
- 3) Claimant's request for attorneys' fees is denied.
- 4) All other relief requested, including Respondents' request for expungement of the Statement

of Claim and any reference thereto from Respondent Stavish's CRD record, and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

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

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

The Panel determined to charge Claimant the initial claim filing fee which had been preliminarily waived by the Director of Arbitration.

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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm, Respondent Raikes, is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$2,500.00</u>
Total Member Fees	= \$4,600.00

Adjournment Fees

The following adjournment fees are assessed:

There were no adjournment fees assessed during these proceedings.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: November 16, 2001 1 session	
(5) Hearing sessions @ \$1,125.00/session	= \$5,625.00
Hearings: May 15, 2002 2 sessions	
May 16, 2002 2 sessions	

May 17, 2002

1 session

Total Forum Fees = \$6,750.00

The Panel has assessed \$3,375.00 of the forum fees to Claimant.

The Panel has assessed \$3,375.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$3,375.00
Total Fees	= \$3,675.00
<u>Less payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

Respondent Raike is charged with the following fees and costs:

<u>Member Fees</u>	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$2,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,500.00

Respondents are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$3,375.00
Total Fees	= \$3,375.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

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

NASD Dispute Resolution, Inc.

Arbitration No. 01-01982

Award Page 5 of 5

ARBITRATION PANEL

John A. Baynes, III

-

Public Arbitrator, Presiding Chair

Frank H. Livingston

-

Public Arbitrator

David M. Pierce

-

Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

John A. Baynes, III

Chair, Public Arbitrator

Signature Date

/s/

Frank H. Livingston

Public Arbitrator

Signature Date

/s/

David M. Pierce

Industry/Non-Public Arbitrator

Signature Date

June 17, 2002


Date of Service

ARBITRATION PANEL

John A. Baynes, III
Frank H. Livingston
David M. Pierce

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


John A. Baynes, III
Chair, Public Arbitrator

6/11/02
Signature Date

Frank H. Livingston
Public Arbitrator

Signature Date

David M. Pierce
Industry/Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

<i>John A. Baynes, III</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Frank H. Livingston</i>	-	<i>Public Arbitrator</i>
<i>David M. Pierce</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

John A. Baynes, III
Chair, Public Arbitrator

Signature Date

Frank H. Livingston

Frank H. Livingston
Public Arbitrator

6-12-02

Signature Date

David M. Pierce
Industry/Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

John A. Baynes, III

Frank H. Livingston

David M. Pierce

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

John A. Baynes, III
Chair, Public Arbitrator

Signature Date

Frank H. Livingston
Public Arbitrator

Signature Date


David M. Pierce
Industry/Non-Public Arbitrator

6-17-02
Signature Date

Date of Service