

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jesse Barajas, Claimant v. Antonio Betancourt and Max International Broker Dealer Corp.,
Respondents

Case Number: 01-02045

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent Jesse Barajas:

David Liebrader, Esq.
Law Offices of David Liebrader
Foothill Ranch, California

For Respondent/Counter-Claimant Antonio Betancourt:

Antonio Betancourt
Pro Se
Carle Place, New York

For Respondent/Counter-Claimant Max International
Broker Dealer Corp.:

Irwin Shustak, Esq.
Shustak, Jalil & Heller
San Diego, California

CASE INFORMATION

Statement of Claim filed: April 16, 2001

Claimant/Counter-Respondent's Uniform Submission Agreement signed: April 16, 2001

Joint Statement of Answer and Counterclaim filed by Respondents Antonio Betancourt and Max International Broker Dealer Corp.: October 17, 2001

Respondents/Counter-Claimants Antonio Betancourt's and Max International Broker Dealer Corp.'s Joint Uniform Submission Agreement signed: October 10, 2001

Counter-Respondent Jesse Barajas' Statement of Answer to Counterclaim filed: March 14, 2002

CASE SUMMARY

Claimant alleged breach of contract, breach of fiduciary duty, unauthorized trading, churning, suitability, fraud, misrepresentation, non-disclosure, negligence, failure to supervise, and violation of state securities laws.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and filed a Counterclaim alleging breach of contract and debit balance owed.

Counter-Respondent denied the allegations of wrongdoing set forth in the Counter-Claimants' Statement of Claim.

RELIEF REQUESTED

Claimant requested rescission pursuant to California Civil Code Sec. 1689, compensatory damages of \$47,000, punitive and exemplary damages pursuant to California Civil Code Sec. 3294, pre- and post-award interest, and costs, including attorney's fees.

Respondent/Counter-Claimants requested dismissal of the Claimant's Statement of Claim in its entirety, compensatory damages of \$7,688.00, prejudgment interest, and costs, including attorney's fees.

Counter-Respondent requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On February 25, 2003, Respondent Antonio Betancourt, moved the Panel to appear via telephone. The parties did not object to Mr. Betancourt's motion and, after due deliberation, the Panel granted Mr. Betancourt's motion.

On February 26, 2003, Claimant moved the Panel to allow witness David Isolano to appear via telephone. Respondents did not object and, after due deliberation, the Panel granted the motion.

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, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Antonio Betancourt and Max International Broker Dealer Corp. are jointly and severally liable to and shall pay Claimant the sum of \$15,000.00 in compensatory damages.
- 2) This Award shall bear interest at the rate of 6% per annum on any balance that remains unpaid thirty (30) days after receipt hereof, unless a motion to vacate has been filed with a court of competent jurisdiction. If this award is the subject of a motion to vacate that is subsequently denied, this award shall bear interest at the rate of 6% per annum on any balance that remains unpaid from date of the court's order denying said motion to vacate.
- 3) Counter-Claimants Counterclaim is denied in its entirety.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 175.00
Respondents' Counterclaim	= \$ 500.00

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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Max International Broker Dealer Corp. is a party and the following fees are assessed:

Member Surcharge	= \$ 800.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,000.00</u>
Total Member Fees	= \$ 2,400.00

Adjournment Fees

The following adjournment fees are assessed:

July 16-18, 2002, adjournment requested by Respondents
Postponement Fee waived by the Panel

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 or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: May 16, 2002 1 session	
One (1) Pre-hearing conference session with the Panel @ \$600.00/session	= \$ 600.00
Pre-hearing conference: March 12, 2002 1 session	
Four (4) Hearing sessions @ \$600.00/session	= \$2,400.00
Hearings: February 25, 2003 2 sessions	
February 26, 2003 2 sessions	
Total Forum Fees	= \$3,450.00

1. The Panel assessed \$1,625.00 of the forum fees to Claimant Jesse Barajas.

2. The Panel assessed \$1,825.00 of the forum fees jointly and severally to Respondents Antonio Betancourt and Max International Broker Dealer Corp.

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 sundry other requests.

Claimant Jesse Barajas' Returned Check Processing Fee:	= \$ 15.00
Claimant Jesse Barajas requested 104 photocopies at \$0.50 each	= \$ 52.00
Respondent Max International Broker Dealer Corp. requested 70 photocopies at \$0.50 each	= \$ 35.00

Fee Summary

1. Claimant Jesse Barajas is charged with the following fees and costs:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 1,625.00
<u>Administrative Costs</u>	= \$ 67.00
Total Fees	= \$ 1,867.00
<u>Less payments</u>	= \$(790.00)
Balance Due NASD Dispute Resolution	= \$ 1,077.00

2. Respondent Max International Broker Dealer Corp. is charged with the following fees and costs:

Member Fees	= \$ 2,400.00
<u>Administrative Costs</u>	= \$ 35.00
Total Fees	= \$ 2,435.00
<u>Less payments</u>	= \$(2,400.00)
Balance Due NASD Dispute Resolution	= \$ 35.00

3. Respondents Antonio Betancourt and Max International Broker Dealer Corp. are charged jointly and severally with the following fees and costs:

Counterclaim Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 1,825.00
Total Fees	= \$ 2,325.00
<u>Less payments by Max International Broker Dealer Corp</u>	= \$(750.00)
Balance Due NASD Dispute Resolution	= \$ 1,575.00

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

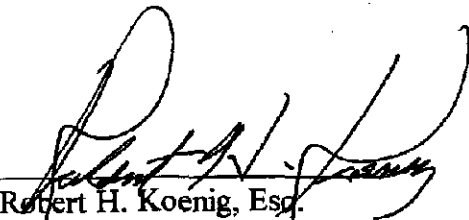
ARBITRATION PANEL


Robert H. Koenig, Esq.
Chester L. Firestein
Russell T. Doe


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Public Arbitrator, Presiding
Public Arbitrator
Non-Public Arbitrator


Concurring Arbitrators' Signatures

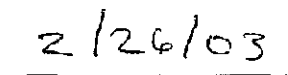

Robert H. Koenig, Esq.
Chair, Public Arbitrator

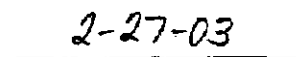

Signature Date


Chester L. Firestein
Public Arbitrator


Signature Date


Russell T. Doe
Non-Public Arbitrator


Signature Date


Date of Service