

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John H. Morgenthaler, Claimant v. Alex Zinger, Respondent

Alex Zinger, Counter-Claimant v. John H. Morgenthaler, Counter-Respondent

Alex Zinger, Third Party Claimant v. William Raike and Raike Financial Group Inc., Third Party Respondents

Case Number: 03-00022

Hearing Site: Reno, Nevada

Nature of Dispute: Customer v. Associated Person

Nature of Dispute: Associated Person v. Customer

Nature of Dispute: Associated Person v. Associated Person and Member Firm

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent:

John H. Morgenthaler, PH.D.
Pro Se
Cupertino, California

For Respondent/Counter-Claimant/
Third Party Claimant:

Alex Zinger
Pro Se
Brooklyn, New York

For Third Party Respondent
William J. Raike, III:

William J. Raike, III
Pro Se
Woodstock, Georgia

For Third Party Respondent
Raike Financial Group Inc:

William J. Raike, III
Pro Se
Woodstock, Georgia

CASE INFORMATION

Claimant's Statement of Claim filed: January 2, 2003

Claimant's Uniform Submission Agreement signed: January 16, 2003

Respondent Alex Zinger's Statement of Answer filed: March 17, 2003

Respondent/Counter-Claimant Alex Zinger's Counterclaim filed: March 17, 2003

Respondent/Cross-Claimant Alex Zinger's Third Party Claim filed: March 17, 2003

Respondent/Counter-Claimant/Cross-Claimant Alex Zinger's Amended Third Party Claim received: April 4, 2003

Claimant's Answer to Counterclaim filed: April 29, 2003

Respondent Alex Zinger's Uniform Submission Agreement signed: March 17, 2003

Third Party Respondents Raike Financial Group, Inc. and William J. Raike's Joint Statement of Answer to the Third Party Claim filed: April 1, 2003

Third Party Respondents Raike Financial Group, Inc. and William J. Raike's Joint Statement of Answer to Respondent Alex Zinger's Amended Third Party Claim filed: April 21, 2003

Third Party Respondent Raike Financial Group, Inc.'s Uniform Submission Agreement signed: March 31, 2003

Third Party Respondent William J. Raike's Uniform Submission Agreement signed: March 31, 2003

CASE SUMMARY

Claimant John Morgenthaler alleged breach of contract. The cause of action relates to a settlement agreement that he had entered into with Alex Zinger regarding shares of Nortel Networks that were purchased by Claimant.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted several affirmative defenses.

Counter-Claimant Alex Zinger in Counter-Claim and Amended Counter-Claim alleged Fraud, Emotional Distress, Misrepresentation, Breach of Contract, Slander and Wrongful Termination. The causes of action relate to a settlement agreement.

Counter Respondent John Morgenthaler denied the allegations of wrongdoing set forth in the Counter-Claimant's Counter-Claim and Amended Counter-Claim and asserted several affirmative defenses.

Third Party Claimant Alex Zinger in Third Party Claim and Amended Third Party Claim alleged Fraud, Emotion Distress, Misrepresentation, Breach of Contract, Slander and Wrongful Termination. The causes of action relate to a settlement agreement and a lease.

Third Party Respondents William J. Raike and Raike Financial Group denied the allegations of wrongdoing set forth in the Third Party Claimant's Counter-Claim and asserted several affirmative defenses.

RELIEF REQUESTED

Claimant John Morgenthaler requested compensatory damages in the amount of \$25,000.00.

Counter-Claimant Alex Zinger requested compensatory damages in the amount of \$1,000,000.00.

Third-Party Claimant Alex Zinger requested compensatory damages in the amount of \$1,000,000.00.

Third-Party Respondents William Raike and Raike Financial Group requested dismissal of the Third-Party Claim in its entirety. If the Third- Party Claim is not dismissed, Third-Party Respondents requested that the panel reduce the \$1,000,000.00 relief requested.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondents have entered into a settlement agreement.
2. This matter is dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Alex Zinger's registration records maintained by NASD's Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Alex Zinger must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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	= \$	125.00
Counterclaim/Third Party Claim Filing Fee	= \$	waived

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 Raike Financial Group Inc. is a party and the following fees are assessed:

Member Surcharge	= \$	425.00
Pre-Hearing Process Fee	= \$	750.00
<u>Hearing Process Fee</u>	= \$	<u>4,000.00</u>
Total Member Fees	= \$	5,175.00

Forum Fees and Assessments

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

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$	1,200.00
Pre-hearing conferences: July 28, 2003 1 session		
Total Forum Fees	= \$	1,200.00

The Panel assessed the forum fees for the pre-hearing conference as follows:

1. The Panel assessed \$400.00 of the fee for the pre-hearing conference session to John H. Morgenthaler.
2. The Panel assessed \$400.00 of the fee for the pre-hearing conference session to Alex Zinger.
3. The Panel assessed \$400.00 of the fee for the pre-hearing conference session to William J. Raike.

Fee Summary

1. Claimant John Morgenthau is charged with the following fees and costs:

Initial Filing Fee	= \$	125.00
Forum Fees	= \$	400.00
Total Fees	= \$	525.00
Less payments	= \$	(425.00)
Balance Due NASD Dispute Resolution	= \$	100.00

2. Respondent Alex Zinger is charged with the following fees and costs:

Filing Fee	= \$	waived
Forum Fees	= \$	400.00
Total Fees	= \$	400.00
Less Payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	400.00

3. Respondent Raika Financial Group Inc. is charged with the following fees and costs:

Member Fees	= \$	5,175.00
Less Payment	= \$	(5,175.00)
Balance Due NASD Dispute Resolution	= \$	0.00

4. Respondent William F. Raika is charged with the following fees and costs:

Forum Fee	= \$	400.00
Less Payment		0.00
Balance Due NASD Dispute Resolution	= \$	400.00

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

<i>F. Richard Middaugh</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Rene-Marc Mangin, Ph.D</i>	-	<i>Public Arbitrator</i>
<i>Ray A. Cox</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures



F. RICHARD MIDDAUGH
Chair, Public Arbitrator

8/29/04
Signature Date

RENE-MARC MANGIN, PHD.
Public Arbitrator

Signature Date

RAY A. COX
Non-Public Arbitrator

Signature Date

9/10/04
Date of Service

NASD Dispute Resolution

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F. Richard Middaugh

Rene-Marc Mangin, Ph.D

Ray A. Cox

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

F. RICHARD MIDDGAUGH.

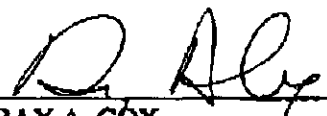
Chair, Public Arbitrator

Signature Date

RENE-MARC MANGIN, PHD.

Public Arbitrator

Signature Date



RAY A. COX

Non-Public Arbitrator

7.31.04

Signature Date

9/10/04

Date of Service