

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mohammed Belafkih, Claimant v. Raike Financial Group, Inc. and William Raike, Respondents

Raike Financial Group, Inc. and William Raike, Counter-Claimants v. Mohammed Belafkih,
Counter-Respondent

Case Number: 03-01827

Hearing Site: Los Angeles, California

Nature of the Disputes: Associated Person v. Member and Associated Person

Member and Associated Person v. Associated Person

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent:

Mohammed Belafkih ("Claimant"):

Mohammed Belafkih
In Propria Persona
Los Angeles, California

For Respondents/Counter-Claimants:

Raike Financial Group, Inc. and William Raike
("Respondents"):

William Raike
Raike Financial Group, Inc.
Woodstock, Georgia

CASE INFORMATION

Statement of Claim filed: March 10, 2003

Claimant's Uniform Submission Agreement signed: March 7, 2003

Joint Statement of Answer and Counterclaim filed by Respondents: April 3, 2003

Joint Amended Statement of Answer filed by Respondents: October 30, 2003

Respondent Raiké Financial Group, Inc.'s Uniform Submission Agreement signed:
April 21, 2003

Respondent William Raiké's Uniform Submission Agreement signed: April 21, 2003

CASE SUMMARY

Claimant alleged fraud, breach of contract, and conversion. Claimant's claims involved an errors and omissions liability insurance policy that, Claimant alleged, he paid for and should have been in force throughout the period his license was active at Raiké Financial Group, Inc. Claimant's claims also involved Respondents' alleged failure to pay commissions.

Respondents Initial Statement of Answer denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

On November 3, 2003, Respondents filed an Amended Statement of Answer pursuant to the NASD Code of Arbitration Procedure Rule 10328(a). Respondents' Amended Statement of Answer also denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted additional affirmative defenses.

Respondents filed a Counterclaim alleging indemnification for legal costs incurred in defense of a previous arbitration case brought by a customer against the Respondents and Mr. Belafkih.

RELIEF REQUESTED

Claimant requested \$22,189.85 in compensatory damages, punitive damages, prejudgment interest, and costs, including attorney's fees.

Respondents Initial and Amended Statements of Answer requested dismissal of the Claimant's Statement of Claim in its entirety, costs, and expungement of all reference to the above captioned arbitration from Respondent William Raiké's registration records maintained by the NASD Central Registration Depository. Respondents' Amended Statement of Answer further requested that should any damages be awarded to Claimant, the award be specifically apportioned among the Respondents.

Respondents' Counterclaim requested \$39,170.92 in compensatory damages, unspecified punitive damages, prejudgment interest, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On June 18, 2003, Claimant signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On July 14, 2004, Respondents signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On September 22, 2003, the parties notified NASD Dispute Resolution that they wished to proceed with a single industry arbitrator.

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

- 1) Claimant Mohammed Belafkih's claims are denied in their entirety.
- 2) Counter-Respondent Mohammed Belafkih is liable and shall pay to Counter-Claimant Raiké Financial Group, Inc. \$8,935.92 in compensatory damages.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) 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	= \$ 125.00
Counterclaim filing fee	= \$ 1,000.00

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

Member Surcharge	= \$ 425.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$1,000.00
Total Member Fees	= \$2,175.00

Adjournment Fees

The following adjournment fees are assessed:

February 10-11, 2004 hearing adjournment requested by Raike Financial Group, Inc. and William Raike	= \$ 450.00
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Forum Fees and Assessments

The Arbitrator 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 Arbitrator. The following fees are assessed:

One (1) Pre-hearing conference session with the arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: October 16, 2003 1 session	

Two (2) Hearing sessions @ \$450.00/session	= \$ 900.00
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Hearings: July 14, 2004 2 sessions	
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Total Forum Fees	= \$1,350.00
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The Arbitrator assessed the entire balance of the forum fees, in the amount of \$1,350.00, to Claimant/Counter-Respondent Mohammed Belafkih.

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.

Respondents requested 17 photocopies @ \$0.50: =\$ 8.50

Fee Summary

1. Claimant/Counter-Respondent Mohammed Belafkih is charged with the following fees and costs:

Initial Filing Fee	= \$ 125.00
<u>Forum Fees</u>	= \$ 1,350.00
Total Fees	= \$ 1,475.00
<u>Less payments</u>	= \$(625.00)
Balance Due NASD Dispute Resolution	= \$ 850.00

2. Respondent/Counter-Claimant Raiké Financial Group, Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,175.00
<u>Less payments</u>	= \$(2,175.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents/Counter-Claimants Raiké Financial Group, Inc. and William Raiké are charged jointly and severally with the following fees and costs:

Counterclaim Filing Fee	= \$ 1,000.00
Adjournment Fee	= \$ 450.00
<u>Administrative Costs</u>	= \$ 8.50
Total Fees	= \$ 1,458.50
<u>Less payments made by Raiké Financial Group, Inc.</u>	= \$(1,925.00)
Refund Due from NASD Dispute Resolution	= \$ (466.50)

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.

ARBITRATOR


Ronald L. Gershon

Non-Public Arbitrator

Arbitrator's Signature



Ronald L. Gershon
Non-Public Arbitrator



Signature Date



Date of Service