

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Raika Financial Group, Inc. (Claimant) v. David Rondeau, Marcus Hartel, and Gary Wayne II
(Respondents)

Case Number: 04-05407

Hearing Site: Buffalo, New York

Nature of the Dispute: Member vs. Associated Persons

REPRESENTATION OF PARTIES

Claimant Raika Financial Group, Inc. ("Raika Financial") hereinafter referred to as "Claimant":
Christopher Casdia, Chief Operating Officer, Raika Financial Group, Inc., Woodstock, GA.
Previously represented by William J. Raika, Esq., President, Raika Financial Group, Inc.,
Woodstock, GA.

Respondent David Rondeau ("Rondeau"): Justin Kam, Esq., Feingold & Kam LLC, Palm Beach
Gardens, FL.

Respondent Marcus Hartel ("Hartel"): Patricia C. Foster, Esq., Patricia Foster, PLLC, Pittsford,
NY.

Respondent Gary Wayne II ("Wayne") appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: July 28, 2004.

Claimant signed the Uniform Submission Agreement: July 27, 2004.

Statement of Answer and Motion to Dismiss filed by Respondent Rondeau on or about:
September 17, 2004.

Respondent Rondeau did not submit a signed Uniform Submission Agreement.

Statement of Answer filed by Respondent Hartel on or about: September 14, 2004.

Respondent Hartel signed the Uniform Submission Agreement: September 15, 2004.

Respondent Wayne did not file an Answer.

Respondent Wayne did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: pursuant to the terms of Raiké Financial Group, Inc.'s Registered Representative/Independent Contractor Agreement, Respondents are liable to reimburse Claimant for costs and disbursements it incurred in settling NASD-DR, Arbitration Number: 02-5194, Bradley A. Hale v. Raiké Financial Group and Gary Charles Way II.

Unless specifically admitted in his Answer, Respondent Rondeau denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Hartel denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Respondent Waye did not file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant requested: \$97,107.00 in compensatory damages, plus interest and any other damages the Panel might award.

Respondent Rondeau requested that the Panel dismiss the Statement of Claim and award him attorneys' fees, costs, and any other relief the Panel deems just and proper.

Respondent Hartel requested that the Panel dismiss the Statement of Claim

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by the Claimant, the undersigned arbitrators the "Panel" determined that Respondent Waye II has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Waye II did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having participated at the March 6, 2005 telephonic conference call, is bound by the determination of the Panel on all issues submitted.

Respondent Rondeau did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having answered the claim is bound by the determination of Panel on all issues submitted.

On or about April 26, 2005, Claimant entered into a settlement agreement with Respondents Rondeau and Hartel and withdrew with prejudice all claims against them.

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Waye II is liable for and shall pay Claimant \$82,000.00, including interest at the rate of six percent, from July 27, 2004, until the award is paid.
2. Respondent Waye II is liable for and shall pay Claimant \$75,000.00 in punitive damages because the Panel found that: Waye ignored its Order to produce discovery documents; he made material misrepresentations to the Panel during the March 16, 2005 telephonic conference; and, because he failed to appear at the August 8, 2005 hearing on the merits.
3. Respondent Waye II is liable for and shall pay Claimant attorneys' fees in the amount of \$9,120.00 pursuant to the Registered Representative/Independent Contractor Agreement.
4. 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 will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 1,000.00

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. Accordingly, Raike is a party.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Three (3) Pre-hearing sessions with Panel @ \$750.00	= \$ 2,250.00
Pre-hearing conferences:	
December 10, 2004	1 session
March 16, 2005	1 session
June 6, 2005	1 session
Two (2) Hearing sessions @ \$750.00	= \$ 1,500.00
Hearing Date:	
August 8, 2005	2 sessions
Total Forum Fees	= \$ 3,750.00

1. The Panel has assessed \$3,750.00 of the forum fees to Respondent Waye II.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	= \$ 3,550.00
Total Fees	= \$ 4,550.00
<u>Less payments</u>	= \$ 5,300.00
Refund Due Claimant	= \$ 750.00

2. Respondent Waye II is solely liable for:

<u>Forum Fees</u>	= \$ 3,750.00
Total Fees	= \$ 3,750.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,750.00

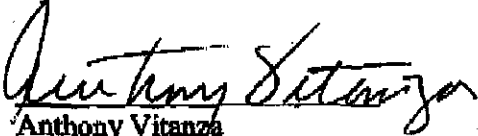
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL


Anthony Vitanza	-	Non-Public Arbitrator, Presiding Chairperson
James Pasquale Nunciato	-	Non-Public Arbitrator
David R. Lipton	-	Non-Public 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 my award.



Anthony Vitanza
Non-Public Arbitrator, Presiding Chairperson


Signature Date

James Pasquale Nunciato
Non-Public Arbitrator

Signature Date

David R. Lipton
Non-Public Arbitrator

Signature Date


Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

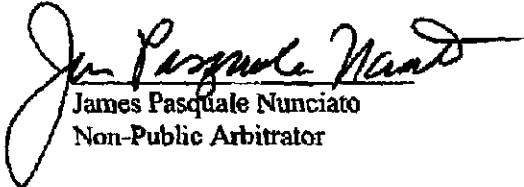
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Anthony Vitanza
Non-Public Arbitrator, Presiding Chairperson

Signature Date


James Pasquale Nunciato
Non-Public Arbitrator

8-29-05
Signature Date

David R. Lipton
Non-Public Arbitrator

Signature Date

September 2, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Anthony Vitanza	-	Non-Public Arbitrator, Presiding Chairperson
James Pasquale Nunciato	-	Non-Public Arbitrator
David R. Lipton	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

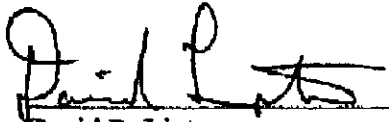
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James Pasquale Nunciato
Non-Public Arbitrator

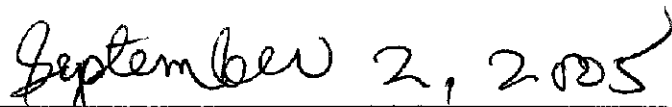
Signature Date



David R. Lipton
Non-Public Arbitrator



Signature Date



Date of Service (For NASD Dispute Resolution use only)