

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

David Warren Cade

vs.

Case Number: 05-06224
Hearing Site: Houston, Texas

Names of Respondents

Amerifinancial,
Anthony Joseph Fareri, and
Candace Sametini

NATURE OF THE DISPUTE

Associated Person vs. Member and Associated Persons

REPRESENTATION OF PARTIES

David Warren Cade ("Claimant" or "Cade") was represented by Douglas L. Haynes, Esq., The Haynes Law Firm, The Woodlands, Texas.

Amerifinancial ("Amerifinancial"), Anthony Joseph Fareri ("Fareri"), and Candace Sametini ("Sametini"), hereinafter collectively referred to as "Respondents," were represented by Jan Douglas Atlas, Esq. and Jeffrey A. Backman, Esq., Adorno & Yoss, LLP, Fort Lauderdale, Florida. On October 30, 2006, Mr. Atlas filed a Notice of Withdrawal as counsel for these three Respondents. After that date, Amerifinancial did not retain new counsel, Fareri was represented by Michael Feinstein, Esq., Michael Feinstein, PA, Fort Lauderdale, Florida, and Sametini did not retain new counsel.

CASE INFORMATION

The Statement of Claim was filed on or about December 7, 2005. The Submission Agreement of Claimant, David Warren Cade, was signed on or about November 11, 2005. Claimant filed a Response to the Motion to Dismiss, or Alternatively, to Stay these Proceedings Pending Resolution of a State Court Action Filed on August 31, 2005 in Florida on or about March 10, 2006. Claimant filed a Response to the Amended Motion to Dismiss, Statement of Answer and Counterclaim on or about March 27, 2006. Claimant filed a Response to the Motion to Change Venue to Boca Raton, Florida on or about March 27, 2006. Claimant's Response to the Motion for Leave to Amend the Counterclaim was filed on or about May 5, 2006.

The Motion to Dismiss, or Alternatively, to Stay these Proceedings Pending Resolution of a State Court Action Filed on August 31, 2005 in Florida was filed by Respondents, Amerifinancial, Anthony Joseph Fareri, Candace Sametini, on or about January 27, 2006. The Submission Agreement of Respondent Amerifinancial was signed on or about January 25, 2006. The Submission Agreement of Respondent, Candace Sametini, was signed on or about January 25, 2006. The Amended Motion to Dismiss, Statement of Answer and Counterclaim was filed by Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, on or about March 13, 2006. Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, filed a Motion to Change Venue to Boca Raton, Florida on or about March 10, 2006. Respondents, Amerifinancial, Anthony Joseph Fareri, Candace Sametini, filed a Motion to Leave to Amend the Counterclaim on or about April 21, 2006. Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, filed a Reply in Support of the Motion for Leave to Amend the Counterclaim on or about May 9, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of employment contract; negligent misrepresentation; raiding disputes; wrongful termination; commissions; compensation; defamation and slander. The causes of action related to Claimant's employment with Amerifinancial. Claimant alleged that in August 2004, Fareri solicited him to join Fareri as a partner in Amerifinancial and in September 2004, Claimant left Raymond James to join Fareri as an equal partner in Amerifinancial and was given Control Authority for the partnership. Claimant alleged that he invested his own money into Amerifinancial, which it refused to refund. Claimant alleged that Respondents had a plan to increase their income by duping Cade into investing his own money, time, effort, and experience and then wrongfully terminating Cade from his position and ownership. Claimant alleged that Respondents intentionally defamed and slandered him to Cade's existing brokers and convinced those brokers to abandon Cade in favor of Amerifinancial, raid Cade's business and cost him more than \$460,000 in future business.

Unless specifically admitted in their Answer, Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant approved, participated in, and/or ratified the acts and transactions in dispute; the losses suffered by Claimant were proximately caused by his own decisions, conduct, and/or negligence and are therefore barred; Claimant failed to mitigate his damages; Claimant's claims are barred by the statute of frauds; Claimant's claims are barred by the doctrine of unclean hands; Claimant cannot recover for alleged breach of a partnership agreement because no such agreement existed; Claimant's damages, if any, must be set-off by the amount of compensation paid to him, as well as by the amount of money Claimant misappropriated from Respondents; Claimant is not entitled to recovery, herein, as he did not have a contractual and/or business relationship with the brokers allegedly "raided" by Respondents over which Claimant was entitled to exercise

legal rights; and Claimant is not entitled to recovery against Respondents as Claimant failed to demonstrate that the corporate veil should be pierced.

In its Counterclaim, Respondent Amerifinancial asserted the following causes of action: breach of contract and conversion. Amerifinancial alleged that on or about May 2005, Amerifinancial entered into an oral agreement with Claimant whereby Claimant would work for Amerifinancial at its Houston branch, however Claimant failed to perform under the terms of the agreement. Amerifinancial alleged that Claimant knowingly and wrongfully obtained money belonging to Amerifinancial by unlawfully and physically obtaining control over said money and refusing to return same despite demand.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 1,017,872.43
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

In the Counterclaim, Respondent, Amerifinancial, requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Exemplary/Punitive Damages	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

OTHER ISSUES CONSIDERED & DECIDED

Respondent, Anthony Joseph Fareri, did not file with the 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 and appeared, is bound by the determination of the Panel on all issues submitted.

On or about March 5, 2006, the Panel denied the Motion to Change the Venue to Boca Raton, Florida.

On or about May 15, 2006, the Panel granted the Motion for Leave to Amend the Counterclaim to include tortious interference as a cause of action.

On or about September 5, 2006, the Panel denied Respondents' Motion to Dismiss.

On January 19, 2007, Respondent Fareri filed a Motion to Postpone the Hearing. On January 31, 2007, Claimant filed his Response in Opposition to the Motion to Postpone. On February 2, 2007, Respondent Fareri filed a Supplement to the Motion to Postpone. On February 2, 2007, the Panel properly considered, deliberated, and unanimously denied the Motion to Postpone.

On February 4, 2007, Respondent Fareri sent an e-mail with attachments as well as several faxes to NASD to be forwarded to the Panel. On February 5, 2007, Respondent Fareri's Exhibits were faxed to the Panel at the hearing location and admitted into evidence.

Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, did not make an appearance at the hearing. Upon review of the file and the representations made by and on behalf of the Claimant, the undersigned arbitrators determined that the Respondents have been properly served with the Statement of Claim, appeared, answered, received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure, and are bound by the determination of the Panel on all issues submitted.

The Panel finds that Claimant's claims for breach of contract and negligent misrepresentation are found to be supported by a preponderance of the evidence presented at the hearing and by the submissions of the parties.

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

- 1.) Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, are jointly and severally liable for and shall pay to Claimant, David Warren Cade, the sum of \$618,000.00 in compensatory damages;
- 2.) Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, are jointly and severally liable for and shall pay to Claimant,

David Warren Cade, the sum of \$38,300.00 in attorneys' fees pursuant to Texas statute;

- 3.) The Counterclaim is denied and dismissed with prejudice;
- 4.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 5.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fees for each claim:

Initial Claim filing fee	= \$	500.00
Counterclaim filing fee	= \$	500.00

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. In this matter, the member firm is Amerifinancial.

Member surcharge	= \$	2,800.00
Pre-hearing process fee	= \$	750.00
Hearing process fee	= \$	5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

December 4-8, 2005, adjournment requested by Respondents	= \$	1,200.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Four (4) Pre-hearing sessions with Panel x \$1,200.00	= \$ 4,800.00
Pre-hearing conferences: March 30, 2006	1 session
November 3, 2006	1 session
November 10, 2006	1 session
November 30, 2006	1 session
Two (2) Hearing sessions x \$1,200.00	= \$ 2,400.00
Hearing Date: February 5, 2007	2 sessions
Total Forum Fees	= \$ 7,200.00

The Panel has assessed \$7,200.00 of the forum fees jointly and severally to Amerifinancial, Anthony Joseph Fareri, and Candace Sametini.

FEE SUMMARY

Claimant, David Warren Cade, is liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$ 1,700.00
Refund Due Claimant	= \$ 1,200.00

Respondent, Amerifinancial, is liable for:

Counterclaim Filing Fee	= \$ 500.00
Member Fees	= \$ 8,550.00
Total Fees	= \$ 9,050.00
Less payments	= \$ 9,050.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Amerifinancial, Anthony Joseph Fareri, and Candace Sametini, are jointly and severally liable for:

Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 7,200.00
Total Fees	= \$ 8,400.00
Less payments	= \$ 1,000.00
Balance Due NASD Dispute Resolution	= \$ 7,400.00

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

ARBITRATION PANEL

Eric R. Benton, Esq. - Public Arbitrator, Presiding Chair
David K. Bissinger - Public Arbitrator
Charles A. Bankston - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Eric R. Benton, Esq.
Eric R. Benton, Esq.
Public Arbitrator, Presiding Chair

February 8, 2007
Signature Date

/s/ David K. Bissinger
David K. Bissinger
Public Arbitrator

February 8, 2007
Signature Date

/s/ Charles A. Bankston
Charles A. Bankston
Non-Public Arbitrator

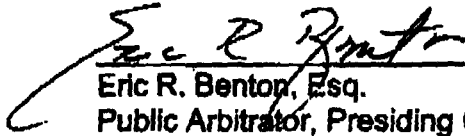
February 9, 2007
Signature Date

February 8, 2007
Date of Service (For NASD office use only)

ARBITRATION PANEL

Eric R. Benton, Esq. - Public Arbitrator, Presiding Chair
David K. Bissinger - Public Arbitrator
Charles A. Bankston - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



Eric R. Benton, Esq.
Public Arbitrator, Presiding Chair

Signature Date

David K. Bissinger
Public Arbitrator

Signature Date

Charles A. Bankston
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Eric R. Benton, Esq. - Public Arbitrator, Presiding Chair
David K. Bissinger - Public Arbitrator
Charles A. Bankston - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Eric R. Benton, Esq.
Public Arbitrator, Presiding Chair



David K. Bissinger
Public Arbitrator

Signature Date

2/8/07

Signature Date

Charles A. Bankston
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Eric R. Benton, Esq. - Public Arbitrator, Presiding Chair
David K. Bissinger - Public Arbitrator
Charles A. Bankston - Non-Public Arbitrator

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Eric R. Benton, Esq.
Public Arbitrator, Presiding Chair

Signature Date

David K. Bissinger
Public Arbitrator

Signature Date



Charles A. Bankston
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)