

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Donald Walford and Walford & Company, Incorporated

and

93-04034

Name of Respondents

RAF Financial Corporation and Robert Long

REPRESENTATION OF PARTIES

Donald Walford and Walford & Company, Incorporated ("Claimants") were represented by Dennis Brovarone, Esq., Denver, Colorado.

RAF Financial Corporation and Robert Long ("Respondents") were represented by Russell C. Burk, Esq. RAF Financial Corporation, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about October 5, 1993. Submission Agreements of Claimants Donald Walford and Walford & Company, Incorporated were signed on September 27, 1993 by Donald Walford, individually and on behalf of Walford & Company Incorporated.

Statement of Answer was filed by Respondents RAF Financial Corporation and Robert Long on or about January 6, 1994. Submission Agreement of Respondent RAF Financial Corporation was signed on January 6, 1994 by Arlene M. Wilson. Submission Agreement of Robert Long was signed on January 6, 1994.

HEARING INFORMATION

The hearing was held on Wednesday June 15, 1994 in Denver, Colorado for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that Respondents were in breach of contract by failing to pay the sum of \$15,000. Specifically, Claimants alleged that pursuant to an agreement between the parties, Donald Walford agreed to waive his right to receive \$200,000 from Blackhawk Gaming and

Development Company, Inc. as a consultant so that RAF could receive approval of the terms of the underwriting.

Respondents denied the allegation set forth in the Statement of Claim. Specifically, Respondents stated that in an effort to avoid litigation over the consulting agreement and to keep the public offering on track, Respondent Long agreed on behalf of RAF to allow Walford to become part of the Blackhawk selling syndicate and orally agreed to give Walford an additional 3% selling concession over and above the 5% concession received by other members of the syndicate in exchange for the waiver of Walford's ostensible rights under the Consulting Agreement. Respondents stated that Walford & Company, Incorporated did receive the agreed to compensation.

RELIEF REQUESTED

Claimants requested an award of damages in an amount not less than \$15,000, interest, costs, attorneys' fees as well as punitive damages in an amount to be proven at the hearing.

Respondents requested that the claim be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

At the conclusion of the Claimant's case in chief, Respondents asserted a Motion to Dismiss. After hearing argument on behalf of the parties, the undersigned arbitrators denied the motion.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the N.A.S.D.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent RAF Financial Corporation shall be and hereby is liable for and shall pay to the Claimants Donald Walford and Walford & Company, Incorporated the sum of **Fifteen thousand dollars (\$15,000)**.
2. Each party shall bear their own costs, expenses and attorneys' fee incurred in this matter not specifically enumerated herein.

FORUM FEES

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each prehearing conference, if any. There were two (2) sessions x \$600 = \$1,200 in forum fees. Pursuant to §44(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §44(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$500 and shall retain as forum fees the hearing session deposit in the amount of \$600 previously deposited with the N.A.S.D. by the Claimant. Respondent RAF Financial Corporation shall pay to the NASD the sum of \$600 as the balance due for forum fees. Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signatures

Dated:

s/ John Bush, Esq.

June 25, 1994

John Bush, Esq.

Industry Arbitrator, Presiding Chair

s/ Eugene M. Osman

June 27, 1994

Eugene M. Osman

Industry Arbitrator

Dissenting Arbitrator's Signature

s/ Gerald K. Moore

June 27, 1994

Gerald K. Moore

Industry Arbitrator