

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Randolph H. Guthrie III, Claimant v. Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr., American Fronteer Financial Corporation f/k/a RAF Financial Corporation, Multisource Services, Inc., Investor Associates, Inc., Robert Herman Trapp, Troy Gerard Taggart, Jr., Robert Harold Taggart, Jr., Eric Garner Stroud, Charles Derby Straub, John Edward Shuster, Jr., Evan Matthew Seltzer, Charles Gerald Pisapia, Alfred Louis Pierantozzi, Miguel Angel Ocasio, III, Kevin Douglas Mikson, Martin Keith Merisko, Peter Sen Lau, James Daniel Holden, Sara Fitzsimmons Herring, Andrew Jon Galy, Robert Anthony Fitzner, Jr., Kelly James Flynn, Steven Michael Fishbein, Tamer Mounir Fahmy, Sharon Judd Englert, Gary Lynn Cook, Tongwan Chan, Hengfai Ambrose Chan, Colin Robert Bruce, III, Edward Galbreath Blackman, IV, Michael Aldo Bagnulo, Leonard Nelson Alsfeld, Jose Antonio Padilla, Respondents.

Case Number: 99-02045

Hearing Site: Anchorage, AL

REPRESENTATION OF PARTIES

For Claimant:

Randolph H. Guthrie
In Pro Per
Sanhe Huayuan 4-29E
Yanping Lu 123
Shanghai, China 200042

For Respondent Multisource Services, Inc.:

Nicholas J. Donohue, Esq.
Martin, Van de Walle,
Donohue, et al.
555 North Broadway
P.O. Box 350
Jericho, NY 11753-0350

For Respondent Investor Associates, Inc.:

Paul E. Forsythe, III.
411 Hackensack Avenue
Continental Plaza
Hackensack, NJ 07601-6328

For Respondent Leonard Antonio Alsfeld:

Robert B. Bieck, Esq.
Jones, Walker, Waechter,
Poitevant & Carrere
201 St. Charles Avenue
New Orleans, LA 70170

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For All Other Respondents:

Carla B. Mineckley, Esq.
Birge & Mayers, P.C.
1700 Broadway
Suite 1501
Denver, CO 80290

CASE INFORMATION

Statement of Claim filed: May 5, 1999

Claimant's Uniform Submission Agreement signed: April 27, 1999

Claimant's Amended Statement of Claim adding 29 Respondents filed: August 11, 1999

Claimant's Revised Statement of Claim filed August 17, 1999

Statement of Answer filed by Respondent Multisource Services, Inc.: September 29, 1999

Statement of Answer filed by Respondents Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr., American Fronteer Financial Corporation f/k/a RAF Financial Corporation: October 7, 1999

Respondents Scott William Powers, Gregg Joseph Powers and William Kearney Powers Jr.'s Uniform Submission Agreement signed: August 2, 1999

Respondents American Fronteer Financial Corporation f/k/a RAF Financial Corporation's Uniform Submission Agreement signed: October 19, 1999

Respondents Tongwan Chan, Hengfai Ambrose Chan, Tamer Mounir Fahmy, Kevin Douglas Mikson, Martin Keith Merisko, Peter Sen Lau, James Daniel Holden, Robert Herman Trapp, Evan Matthew Seltzer and Jose Antonio Padilla did not file a Statement of Answer.

Motion to Dismiss, Change Venue and Statement of Answer and Counterclaim for attorneys' fees filed by Respondents Colin Robert Bruce, III, Edward Galbreath Blackman, IV, Michael Aldo Bagnulo, Sharon Judd Englert, Gary Lynn Cook, Kelly James Flynn, Steven Michael Fishbein, Sara Fitzsimmons Herring, Andrew Jon Galy, Charles Gerald Pisapia, Alfred Louis Pierantozzi, Miguel Angel Ocasio, Troy Gerard Taggart, Jr., Robert Harold Taggart, Jr., Eric Garner Stroud, Charles Derby Straub and John Edward Shuster: November 30, 1999

Motion to Dismiss, Statement of Answer and Affirmative Defenses of Respondent Leonard N. Alsfeld to Claimant's Revised Statement of Claim: December 15, 1999

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Respondent Leonard N. Alsfeld's Uniform Submission Agreement signed: December 14, 1999

Joinder of Respondent Robert A. Fitzner in the Motion to Dismiss, Change Venue and Statement of Answer and Counterclaim for attorneys' fees filed by Respondents Colin Robert Bruce, III, Edward Galbreath Blackman, IV, Michael Aldo Bagnulo, Sharon Judd Englert, Gary Lynn Cook, Kelly James Flynn, Steven Michael Fishbein, Sara Fitzsimmons Herring, Andrew Jon Galy, Charles Gerald Pisapia, Alfred Louis Pierantozzi, Miguel Angel Ocasio, Troy Gerard Taggart, Jr., Robert Harold Taggart, Jr., Eric Garner Stroud, Charles Derby Straub and John Edward Shuster: October 31, 2000

Claimant's withdrawal of claims against Respondents Kevin Douglas Mikson, Kelly James Flynn, Charles Derby Straub, Miguel Angel Ocasio, Peter Sen Lau, James Daniel Holden and Sharon Judd Englert filed: November 17, 2000

Respondent Investor Associates, Inc. did not file a Statement of Answer or otherwise appear in this matter.

CASE SUMMARY

Claimant alleged fraud in connection with his sale of AVIIW warrants; overcharging on commissions in connection with his purchase of various stock options, and unsuitable trading in connection with his purchase of American Backrub stock, which allegedly became worthless. In his Revised Statement of Claim, Claimant alleged fraud as to Respondent American Fronteer Financial Corporation's business practices.

Respondents all denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and/or Revised Statement of Claim.

RELIEF REQUESTED

Claimant requested \$37,500 (allegations of fraud as to the sale of AVIIW warrants); \$4125 (reimbursement of commissions); \$7500 (treble damages for unsuitable trades); \$450,000 (punitive damages); interest and costs (filing fees and legal fees.)

Respondents requested dismissal of the Claimant's Statement of Claim/Revised Statement of Claim in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On March 12, 2001, the Panel heard oral arguments on Respondents Troy Gerard Taggart, Jr., Robert Harold Taggart, Jr., Eric Garner Stroud, Robert Herman Trapp, John Edward Shuster, Jr., Evan Matthew Seltzer, Charles Gerald Pisapia, Alfred Louis Pierantozzi, Sara Fitzsimmons Herring, Martin Keith Merisko, Andrew Jon Galy, Robert Anthony Fitzner, Jr., Kelly James

Flynn, Steven Michael Fishbein, Tamer Mounir Fahmy, Gary Lynn Cook, Tongwan Chan, Hengfai Ambrose Chan, Colin Robert Bruce, III, Edward Galbreath Blackman, IV, Michael Aldo Bagnulo, Leonard Nelson Alsfeld and Jose Antonio Padilla's Motion to Dismiss.

On April 20, 2001, the Panel heard oral arguments on Respondents Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr., American Fronteer Financial Corporation f/k/a RAF Financial Corporation and Multisource Services, Inc.'s Motion to Dismiss and the Request for Attorneys' Fees brought by Respondents Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr. and American Fronteer Financial Corporation f/k/a RAF Financial Corporation.

Respondent Investor Associates, Inc., a terminated member of the NASD did not file a Statement of Answer or otherwise participate in this matter.

AWARD

After considering the pleadings, testimony, and evidence presented at the March 12, 2001 and at the April 20, 2001 telephonic pre-hearing conferences, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The March 12, 2001 Motion to Dismiss is granted as to all of the moving Respondents.
- 2) The April 20, 2001 Motion to Dismiss is granted with prejudice as to Respondent Multisource Services, Inc. The Motion to Dismiss is granted as to the remaining moving Respondents Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr. and American Fronteer Financial Corporation f/k/a RAF Financial Corporation. The Request for Attorneys' Fees brought by Respondents Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr., American Fronteer Financial Corporation f/k/a RAF Financial Corporation and Multisource Services, Inc.'s is denied.
- 3) In light of the Panel's ruling above, Claimant's Motion to Dismiss is rendered moot.
- 4) The granting of the above-mentioned motions disposed of the case in its entirety.
- 5) Each party shall bear its own costs, including attorney's fees.
- 6) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee

= \$ 175

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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, which gave rise to the dispute, claim, or controversy. Accordingly, the member firm American Fronteer Financial Corporation *W/k/a* RAF Financial Corporation is a party Respondent and the following fees are assessed:

Member Surcharge	= \$ 800
Pre-Hearing Process Fee	= \$ 600
<u>Hearing Process Fee</u>	= \$2500
Total Member Fees	= \$3900

Forum Fees and Assessments

The Panel 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 Chair/Panel. The following fees are assessed:

Three (3) Pre-hearing conference sessions with the Panel @ \$1125/session	=
\$3375	
Pre-hearing conferences:	
October 26, 2000	1 session
March 12, 2001	1 session
April 20, 2001	1 session

Total Forum Fees = **\$3375**

The Panel assessed \$1687.50 of the forum fees to Claimant.

The Panel has assessed \$1687.50 of the fees jointly and severally against the Respondents.

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 other requests.

Respondent American Fronteer Financial Corporation, requested service: = \$25

Fee Summary

Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 175
<u>Forum Fees</u>	= \$1687.50
Total Fees	= \$1862.50
<u>Less Payments</u>	= \$(975)

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Balance Due NASD Dispute Resolution, Inc. = \$887.50

Respondent, American Fronteer Financial Corporation f/k/a RAF Financial Corporation, is charged with the following fees and costs:

Member Fees	= \$3900
<u>Administrative Costs</u>	<u>= \$ 25</u>
Total Fees	= \$3925
<u>Less Payments</u>	<u>= \$(3125)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 800

Respondents, Scott William Powers, Gregg Joseph Powers, William Kearney Powers Jr., American Fronteer Financial Corporation f/k/a RAF Financial Corporation and Multisource Services, Inc., are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$1687.50</u>
Total Fees	= \$1687.50
<u>Less Payments</u>	<u>+ \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1687.50

Respondent, American Fronteer Financial Corporation f/k/a RAF Financial Corporation, is charged with the following fees and costs:

Balance Due to the NASD for Member Fees	= \$ 800
<u>Balance Due Joint and Severally for Forum Fees</u>	<u>= \$1687.50</u>
Total Fees	= \$2487.50

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

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ARBITRATION PANEL

LeRoy Eugene DeVeaux

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Public/Non-Public, Presiding Chair

Julius Brecht, Esq.

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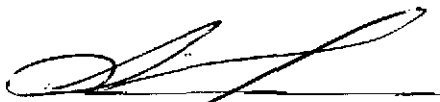
Public/Non-Public Arbitrator

Alexander Slivka

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Non-Public Arbitrator

Concurring Arbitrators' Signature(s)



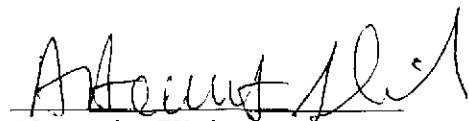
LeRoy Eugene DeVeaux
Chair, Public Arbitrator

6/20/01
Signature Date



Julius Brecht, Esq.
Public Arbitrator

6/18/01
Signature Date



Alexander Slivka
Industry/Non-Public Arbitrator

6/20/01
Signature Date

Date Served:

JUN 25 2001

Date of Service