

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Alex J. Galanides vs. First Citizens Investor Services, Inc.

Case Number: 05-03083...

Hearing Site: Richmond, VA

Nature of the Dispute: Associated Person v. Member.

REPRESENTATION OF PARTIES

Claimant, Alex J. Galanides, hereinafter referred to as "Claimant", was represented by Stephanie P. Karn, Esq., McGuireWoods, LLP, Richmond, Virginia.

Respondent, First Citizens Investor Services, Inc., hereinafter referred to as "Respondent", was represented by Gary J. Rickner, Esq., Ward and Smith, P.A., New Bern, North Carolina.

CASE INFORMATION

Statement of Claim filed on June 14, 2005.

Claimant signed the Uniform Submission Agreement on June 10, 2005.

Statement of Answer filed by Respondent on August 2, 2005.

A representative of Respondent executed the Uniform Submission Agreement on August 4, 2005.

CASE SUMMARY

Claimant asserted the following cause of action: Defamation based on false and defamatory information on his U-5.

Unless specifically admitted in its Answer, Respondent, First Citizens Investor Services, Inc. denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was employed "at will" and subject to termination without cause.

RELIEF REQUESTED

Claimant, in the Statement of Claim, requested:

Compensatory Damages	\$	300,000.00
Punitive Damages	\$	300,000.00

Claimant also requested that the Arbitration Panel (the "Panel") recommend the expungement of the defamatory information in his U-5 form.

Respondent requested dismissal of the Statement of Claim and assessment of fees and costs against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed parties have amicably resolved their differences and have requested this Stipulated Award;
2. Claimant's claims against Respondent are dismissed in their entirety pursuant to the parties' confidential Settlement Agreement.
3. The Panel directs the expungement of the following language from the U-5 prepared by Respondent for Claimant: "Permitted to Resign. VIOLATION OF PARENT COMPANY CODE OF CONDUCT, 'NOT SECURITIES RELATED'." The quoted language is to be expunged, and the U-5 amended to read, with respect to Claimant's termination of employment with Respondent, "voluntary resignation."
4. The Arbitration Panel directs this language revision to the existing U-5 because of Claimant's contention that the existing language is defamatory in nature. Claimant contends that he voluntarily resigned from Respondent and that he was never told that he was being permitted to resign. Claimant further contends, and Respondent does not dispute, that several of Respondent's internal records do not support the information it filed on Claimant's U-5. Certain of Respondent's records do indicate that Claimant's departure from Respondent involved performance issues.
5. The Panel also acknowledges that the parties have reached a separate agreement to resolve their dispute.
6. The Parties shall share the Forum Fees equally. The Parties shall each bear all other costs and expenses incurred by them in connection with the proceeding, including without limitations, all attorneys' fees and costs, not specifically awarded or otherwise provided in the Parties' Agreement; and,

7. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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 = \$ 300.00

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 person at the time of the events giving rise to the dispute. Accordingly, Respondent is a party.

Member surcharge = \$ 2,250.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 4-6, 2006, mediation adjournment requested by the parties waived

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

June 27-28, 2006, settled by all parties = \$ 300.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant has been assessed \$150.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure the Respondent has been assessed \$ 150.00 of the forum fees.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the Panel @ \$ 1,200.00 = \$ 2,400.00
Pre-hearing conferences: November 8, 2005 1 session

June 26, 2006 1 session
Total Forum Fees = \$ 2,400.00

1. The Panel has assessed \$ 1,200.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 1,200.00 of the forum fees to Respondent.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$	375.00
Three-Day Cancellation Fee	= \$	150.00
<u>Forum Fees</u>	= \$	<u>1,200.00</u>
Total Fees	= \$	1,725.00
<u>Less payment</u>	= \$	<u>1,575.00</u>
Balance Due NASD Dispute Resolution	= \$	150.00

2. Respondent is assessed and shall pay:

Member Fees	= \$	7,000.00
Three-Day Cancellation Fee	= \$	150.00
<u>Forum Fees</u>	= \$	<u>1,200.00</u>
Total Fees	= \$	8,350.00
<u>Less payments</u>	= \$	<u>7,000.00</u>
Balance Due NASD Dispute Resolution	= \$	1,350.00

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

ARBITRATION PANEL

Carl F. Bowmer, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph R. Lassiter, Jr., Esq.	-	Public Arbitrator, Panelist
C. Gregory Ellison	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Carl F. Bowmer

Carl F. Bowmer
Public Arbitrator, Presiding Chairperson

7-31-06

Signature Date

Joseph R. Lassiter, Jr., Esq.
Public Arbitrator, Panelist

Signature Date

C. Gregory Ellison
Non-Public Arbitrator, Panelist

Signature Date

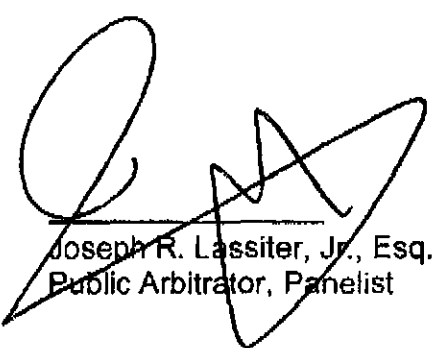
August 2, 2006

Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Carl F. Bowmer
Public Arbitrator, Presiding Chairperson

Signature Date



Joseph R. Lassiter, Jr., Esq.
Public Arbitrator, Panelist



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C. Gregory Ellison
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C. Gregory Ellison
Non-Public Arbitrator, Panelist

7/26/06

Signature Date

August 2, 2006

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