

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

HD Brous & Co., Inc. (Claimant) vs. Alfred Blair Blaikie, III (Respondent)

Case Number: 05-05624

Hearing Site: New York, New York

Nature of the Dispute: Member vs. Associated Person

REPRESENTATION OF PARTIES

Claimant HD Brous & Co., Inc. hereinafter referred to as "Claimant": Robert A. Giacobas, Esq. and Spencer Mazyck, Esq., Lazare Potter Giacobas & Kranjac LLP, New York, NY.

Respondent Alfred Blair Blaikie, III hereinafter referred to as "Respondent": Michael H. Ference, Esq., Sameer Rastogi, Esq., and Matthew T. Fairely, Esq., Sichenzia Ross Friedman Ference LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 1, 2005.

Claimant signed the Uniform Submission Agreement: October 25, 2005.

Statement of Answer filed by Respondent on or about: February 1, 2006.

Respondent did not submit a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: indemnification and breach of contract.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$180,534.44 plus interest, costs, and attorneys' fees.

Respondent requested dismissal of the Statement of Claim in its entirety, costs, attorneys' fees, forum fees, and such other and further relief as the Panel deems just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent 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 the Panel on all issues submitted.

By letter dated December 8, 2006 Claimant notified NASD Dispute Resolution that the parties settled this matter.

Annexed hereto as Exhibit A, B, and C are Respondent's Affidavit of Confession of Judgment, Promissory Note, and Settlement Agreement, respectively.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Respondent hereby agrees and acknowledges to pay to Claimant the total sum of \$36,000.00 (Thirty-Six Thousand Dollars and No Cents) as follows: (i) an initial payment of \$5,000.00 (Five Thousand Dollars and No Cents), by check made payable to "HD Brous & Co., Inc.", upon execution and delivery of this Agreement; and (ii) sixty-two (62) monthly payments of \$500.00 (Five Hundred Dollars and No Cents), beginning on January 1, 2007, until the balance due of \$31,000.00 (Thirty-One Thousand Dollars and No Cents) is fully paid. Respondent additionally agrees to execute and deliver with this Agreement a Confession of Judgment and Promissory Note in the forms annexed hereto as Exhibits A and B, respectively, to secure payment of \$31,000.00.
2. The Parties hereto represent, agree and acknowledge this Agreement and its terms shall be kept strictly confidential by each of the parties hereto except (i) the NASD, who shall be provided a copy of said Agreement for the purpose of entry of the "Stipulated Award" (described below) and monitoring compliance with same; (ii) as may be required in connection with the preparation of income tax returns of any party, or (iii) in response to any legal process, including but not limited to, any other request for information received from the NASD or any other self-regulatory organization.
3. No amendments, modifications or variations of the terms of this Agreement shall

be valid unless made in writing and executed by all Parties hereto.

4. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.
5. The Parties hereto have each participated in a drafting of this Agreement after consulting with counsel. Therefore, the language of this Agreement shall not be presumptively construed either in favor or against either of the Parties hereto. This Agreement shall be construed in accordance with the law of the State of New York pertaining to written contracts made, and to be performed, in the State of New York.
6. No party hereto shall assign this Agreement without first obtaining the written consent of the other party hereto, provided, however, that this section shall not prohibit any assignment by a party hereto by merger, consolidation, or operation of law or to a party who succeeds to all or substantially all of such party's assets. Subject to the foregoing, this Agreement shall extend to and be binding upon the successors and assigns of the Parties hereto.
7. Respondent acknowledges, agrees and stipulates that Brous, at its option, can petition the NASD to enter an award (the "Stipulated Award") on the terms and conditions set forth in this Agreement. Respondent agrees to execute all documents and to do all things necessary to fully effectuate the terms of this Agreement, including the entry of the Stipulated Award.
8. If Respondent fails to fully effectuate the terms of this Agreement and/or is more than ten (10) days late with any monthly payment, Respondent agrees and acknowledges that such failure to pay conduct is a breach of this Agreement and default in payment of the Stipulated Award. In the event of a breach, Blaikie agrees and acknowledges that the Claimant may, without further notice, (i) immediately file the Confession of Judgment, annexed hereto as Exhibit A; and (ii) advise the NASD of his default, in which case the NASD may, in addition to the remedies provided to Brous pursuant to the Confession of Judgment, take whatever action it may deem, including the suspension of his association with NASD member firms in any capacity based solely on his failure to comply with the Stipulated Award and/or this Agreement.
9. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument.
10. Section headings contained herein are for purposes of organization only and shall not constitute part of this Agreement.
11. 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 person at the time of the events giving rise to the dispute. Accordingly, HD Brous & Co., Inc. is a party.

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

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:

December 12-14, 2006 settled by the parties

Claimant's share = \$ 150.00

Respondent's share = \$ 150.00

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:

One (1) Decision on discovery-related motion on the papers
with (1) one arbitrator @ \$200.00 = 200.00

Claimant submitted one discovery-related motion

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00

Pre-hearing conference: April 13, 2006 1 session

Total Forum Fees = \$ 1,325.00

1. Pursuant to Rule 10306, Claimant is assessed \$662.50 of the forum fees.
2. Pursuant to Rule 10306, Respondent is assessed \$662.50 of the forum fees.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 1,000.00

Member Fees	= \$ 5,200.00
Three Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 7,475.00
Less payments	= \$ 3,825.00
Balance Due NASD Dispute Resolution	= \$ 3,650.00

Pursuant to Rule 10332(f) of the Code of Arbitration Procedure, NASD is retaining the total amount of the initial hearing session deposited by the Claimant because this office was notified by the parties that they settled this matter within eight business days of the first scheduled hearing session.

2. Respondent is solely liable for:

Three Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 662.50
Total Fees	= \$ 812.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 812.50

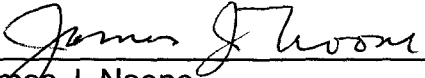
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James J. Noone	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwartz	-	Non- Public Arbitrator
Jonathan L. Goldfarb	-	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.



James J. Noone
Non-Public Arbitrator, Presiding Chairperson

1/19/07

Signature Date

Earl S. Schwartz
Non-Public Arbitrator

Signature Date

Jonathan L. Goldfarb
Non-Public Arbitrator

Signature Date

January 29, 2007

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

James J. Noone	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwartz	-	Non-Public Arbitrator
Jonathan L. Goldfarb	-	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.

James J. Noone
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Earl S. Schwartz
Non-Public Arbitrator

12/19/06

Signature Date

Jonathan L. Goldfarb
Non-Public Arbitrator

Signature Date

January 29, 2007

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

James J. Noone	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwartz	-	Non- Public Arbitrator
Jonathan L. Goldfarb	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

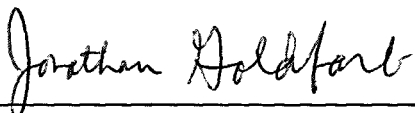
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

James J. Noone
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Earl S. Schwartz
Non-Public Arbitrator

Signature Date

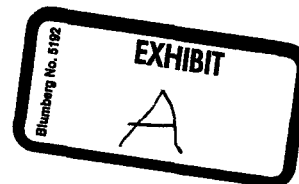


Jonathan L. Goldfarb
Non-Public Arbitrator

12/23/06
Signature Date

January 29, 2007
Date of Service (For NASD Dispute Resolution use only)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK



----- X

HD BROUS & CO., INC.,

Plaintiff,

- against -

**AFFIDAVIT OF
CONFESSION OF
JUDGMENT**

ALFRED BLAIR BLAIKIE III,

Defendant.

----- X

STATE OF NEW YORK)
 :SS
COUNTY OF NEW YORK)

ALFRED BLAIR BLAIKIE III, being duly sworn, deposes and says:

1. I am the defendant in the above-captioned matter and reside at 4 Shadowbrook Drive, Colts Neck, New Jersey 07722. This Affidavit of Confession of Judgment ("Confession") is made this ___ day of December, 2006. Judgment pursuant to this Confession may be entered at any time after the date hereof, consistent with the terms hereof. I am executing this Confession for the benefit of plaintiff HD Brous & Co., Inc. ("HD Brous").

2. My current residence address is 4 Shadowbrook Drive, Colts Neck, New Jersey 07722. I specify that the judgment to which this Confession consents is authorized to be entered upon the terms stated herein in any court of competent jurisdiction, State or Federal, without notice, including without limitation any court in the State of New York, or any other court of competent jurisdiction within or outside the State of New York.

3. I hereby confess judgment herein, and authorize entry thereof against me, ALFRED BLAIR BLAIKIE III, in the total sum of \$31,000 (Thirty-One Thousand Dollars and No Cents) (the



PROMISSORY NOTE

\$31,000.00

ALFRED BLAIR BLAIKIE III, for myself and my agents, assignees, heirs, executors, administrators, guardians, conservators and/or personal representatives, (hereinafter, the "Debtor") hereby promise to pay on demand to HD Brous & Co., Inc. and/or its affiliates or related entities, its shareholders, directors, officers and employees, agents, partners and any assigns, transferees, predecessors and/or successors in interest (hereinafter "HD Brous"), the sum of \$31,000 (Thirty-One Thousand Dollars and No Cents) to be paid as follows: sixty-two (62) monthly payments of \$500.00 (Five Hundred Dollars and No Cents), beginning on January 1, 2007.

Checks shall be made payable to "HD Brous & Co., Inc." and mailed to c/o Robert Giacovas, Esq., Lazare Potter Giacovas & Kranjac LLP, 950 Third Avenue, New York, New York 10022.

Presentment, notice, protest, demand, any extensions and Homestead exemption are hereby expressly waived. In the event that the Debtor is more than ten (10) days late with any monthly payment (each of which is due on the first of each month), then the entire amount owed is immediately due and payable and HD Brous can, at its option, accelerate all monthly payments and proceed to collect the entire amount owed.

In the event that HD Brous takes any step to enforce this promissory note, then Debtor will be responsible for and will pay to HD Brous the total amount owed, including all principal plus all of its just costs and expenses in enforcing this note, including but not limited to attorney's fees in the liquidated amount of \$3,500.

"Judgment"). I hereby authorize HD Brous, its successors or assigns, to enter Judgment against me for that sum.

4. This confession of judgment is for a debt justly due to HD Brous under Section 2(ii) of that certain "Settlement Agreement" dated December ____, 2006 between HD Brous and me whereby I became obligated to pay HD Brous the sum of \$31,000.00 (Thirty-One Thousand Dollars and No Cents) and is to assure plaintiff HD Brous against liability arising in connection with any breach by me of the payments due under Section 2(ii) of said Settlement Agreement.

5. Upon any failure by me, for any reason whatsoever, to make any payment due under the Settlement Agreement, HD Brous shall have the unqualified right, in any State or Federal court within the United States, to obtain a judgment upon this Confession, and to enforce that judgment as the law provides.

6. This Confession is not being made in connection with an agreement for the purchase of \$1,500 or less or any commodities for any use other than a commercial or business use upon any plan of deferred payments whereby the price or cost is payable in two or more installments.

Alfred Blair Blaikie III
ALFRED BLAIR BLAIKIE III

STATE OF NEW YORK)

COUNTY OF Westchester, ss:)

MATTHEW J. KING
Notary Public State of NY
No. 4632908
West. Co. Exp. March 30, 2007

On the 7 day of December, 2006, before me personally came Alfred Blair Blaikie III, to me known and known to be the individual who executed the foregoing instrument and duly acknowledged to me that he executed the same.

[Signature]
Notary Public

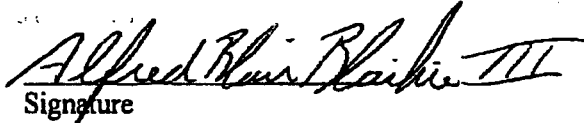
This promissory note is governed by the laws of the State of New York. Venue and jurisdiction are in New York County, New York.

IMPORTANT NOTICE

THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

In the event of Default under this note, Debtor, Alfred Blair Blaikie III, appoint Robert A. Giacomvas, Esq. and the law firm of Lazare Potter Giacomvas & Kranjac LLP as his duly constituted attorneys-in-fact with authority in the name, place and stead of payee and the undersigned, to confess judgment in the office of the clerk of the courts of New York County, New York against him, in the full amount due under and provided for in this promissory note.

Alfred Blair Blaikie III


Signature

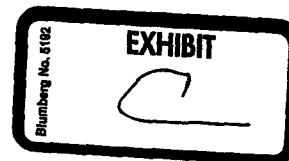
STATE OF NEW YORK:
COUNTY of Westchester to wit

Acknowledged and subscribed to before me, a Notary Public of and for the State of New York, this 7 day of December 2006, by Alfred Blair Blaikie III

My Commission expires:


Notary Public

MATTHEW J. KING
Notary Public State of NY
No. 4632908
West. Co. Exp. March 30, 2007



SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made and entered into this ___ day of December, 2006, by and between HD Brous & Co., Inc. ("Brous" or "Claimant"), a Delaware corporation whose address is P.O. Box 1920, New York, New York 10101 and Alfred Blair Blaikie III ("Blaikie" or "Respondent"), an individual whose address is c/o GunnAllen Financial Inc., 40 Wall Street, New York, New York. The Claimant and Respondent are, sometimes, collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, Claimant commenced an arbitration before the NASD, entitled HD Brous & Co., Inc. v. Alfred Blair Blaikie III, Case No. 05-05642, alleging, inter alia, a claim for contribution and indemnification against the Respondent (the "Arbitration");

WHEREAS, the Respondent has denied all allegations of wrongdoing;

WHEREAS, the Claimant and Respondent are interested in resolving any and all disputed issues of law and fact relating to the Arbitration;

WHEREAS, the Claimant and Respondent are entering into this settlement solely to avoid the legal fees, costs, effort and time that would be incurred to proceed with this matter through resolution and not as an admission of any wrongdoing or fault on the part of the Respondent;

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises and warranties set forth herein, the Parties, intending to be legally bound, do hereby agree as follows:

1. Definitions: As used in this Agreement:

(A) "Claimant" or "Brous" shall mean and refer to HD Brous & Co., Inc. and its

present and former shareholders, officers, directors, agents, servants, employees, agents, representatives, heirs, executors, successors, assigns and attorneys; and

(B) "Blaikie" or "Respondent" shall mean and refer to Alfred Blair Blaikie III, his agents, assignees, heirs, executors, administrators, beneficiaries, attorneys, trustees and legal representatives.

2. Payment and Confession. Respondent hereby agrees and acknowledges to pay to Claimant the total sum of \$36,000.00 (Thirty-Six Thousand Dollars and No Cents) as follows: (i) an initial payment of \$5,000.00 (Five Thousand Dollars and No Cents), by check made payable to "HD Brous & Co., Inc.", upon execution and delivery of this Agreement; and (ii) sixty-two (62) monthly payments of \$500.00 (Five Hundred Dollars and No Cents), beginning on January 1, 2007, until the balance due of \$31,000.00 (Thirty-One Thousand Dollars and No Cents) is fully paid. Respondent additionally agrees to execute and deliver with this Agreement a Confession of Judgment and Promissory Note in the forms annexed hereto as Exhibits A and B, respectively, to secure payment of \$31,000.00.

3. Confidentiality. The Parties hereto represent, agree and acknowledge this Agreement and its terms shall be kept strictly confidential by each of the parties hereto except (i) the NASD, who shall be provided a copy of said Agreement for the purpose of entry of the "Stipulated Award" (described below) and monitoring compliance with same; (ii) as may be required in connection with the preparation of income tax returns of any party, or (iii) in response to any legal process, including but not limited to, any other request for information received from the NASD or any other self-regulatory organization.

4. Amendments. No amendments, modifications or variations of the terms of this Agreement shall be valid unless made in writing and executed by all Parties hereto.

5. Execution. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

6. Agreement Construction. The Parties hereto have each participated in a drafting of this Agreement after consulting with counsel. Therefore, the language of this Agreement shall not be presumptively construed either in favor or against either of the Parties hereto. This Agreement shall be construed in accordance with the law of the State of New York pertaining to written contracts made, and to be performed, in the State of New York.

7. Successors. No party hereto shall assign this Agreement without first obtaining the written consent of the other party hereto, provided, however, that this section shall not prohibit any assignment by a party hereto by merger, consolidation, or operation of law or to a party who succeeds to all or substantially all of such party's assets. Subject to the foregoing, this Agreement shall extend to and be binding upon the successors and assigns of the Parties hereto.

8. Stipulated Award. Respondent acknowledges, agrees and stipulates that Brous, at its option, can petition the NASD to enter an award (the "Stipulated Award") on the terms and conditions set forth in this Agreement. Respondent agrees to execute all documents and to do all things necessary to fully effectuate the terms of this Agreement, including the entry of the Stipulated Award.

9. Breach. If Respondent fails to fully effectuate the terms of this Agreement and/or is more than ten (10) days late with any monthly payment, Respondent agrees and acknowledges that such failure to pay conduct is a breach of this Agreement and default in payment of the Stipulated Award. In the

event of a breach, Blaikie agrees and acknowledges that the Claimant may, without further notice, (i) immediately file the Confession of Judgment, annexed hereto as Exhibit A; and (ii) advise the NASD of his default, in which case the NASD may, in addition to the remedies provided to Brous pursuant to the Confession of Judgment, take whatever action it may deem, including the suspension of his association with NASD member firms in any capacity based solely on his failure to comply with the Stipulated Award and/or this Agreement.

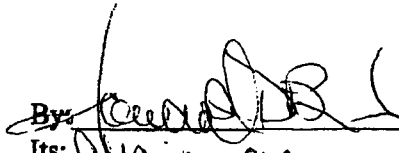
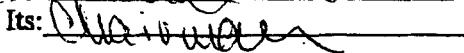
10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument.

11. Headings. Section headings contained herein are for purposes of organization only and shall not constitute part of this Agreement.

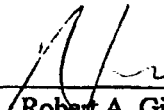
[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the Parties and their counsel have executed and acknowledged
the terms of this Agreement as of the date above first written.

HD BROUS & CO., INC.

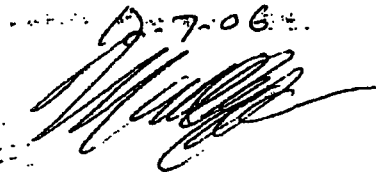
By: 
Its: 

LAZARE, POTTER, GIACOVAS &
KRANJAC, LLP

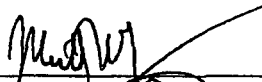
By: 
Robert A. Giacovas
Attorneys for Claimant
HD Brous & Co., Inc.


ALFRED BLAIR BLAIKIE III

MATTHEW J. KING
Notary Public State of NY
No. 4632906
West Co. Exp. March 30, 2007


7-06

SICHENZIA ROSS FRIEDMAN
FERENCE LLP

By: 
Michael H. Ference
Attorneys for Respondent
Alfred Blair Blaikie III