

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Lana Harden, (Claimant) vs. First Allied Securities, Inc. and Robert Albert Skulman (Respondents).

Case Number: 99-00056

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimant, Lana Harden, ("Claimant"): Raymond Harris, Esq. And Susan L. Burnett: Conant, Whittenburg French & Schachter, Dallas, Texas.

Respondent First Allied Securities, Inc. ("Respondent First Allied"): Brian J. Neville, Esq., Kogan, Taubman & Neville, New York, New York.

Respondent, Robert Albert Skulman, ("Respondent Skulman"): was not represented by counsel.

CASE INFORMATION

Statement of Claim filed on or about: January 6, 1999. Claimant filed her Amended Statement of Claim on or about June 8, 2000.

The NASD Dispute Resolution, Inc. has no record of Claimant's signed Uniform Submission Agreement.

Statement of Answer filed by Respondent, First Allied, Inc. on or about: March 29, 1999. Statement of Amended Answer filed by Respondent First Allied, Inc. on or about June 19, 2000.

The NASD Dispute Resolution, Inc. has no record of Respondent, First Allied, Inc.'s, signed Uniform Submission Agreement.

The NASD Dispute Resolution, Inc. has no record of an Answer or a signed Uniform Submission Agreement from Robert Albert Skulman.

CASE SUMMARY

Claimant Lana Harden asserted the following causes of action: churning, negligence, violations of state and federal securities laws, violation of the Texas Deceptive Trade Practices Act, failure to supervise, suitability, breach of fiduciary duty. The causes of action relate to investments made in Claimant's account by Respondents First Allied Securities, Inc. and Robert Albert Skulman.

Unless specifically admitted in its Answer, Respondent First Allied, Inc. denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimant failed to state a claim upon which relief can be granted; Respondent did not act with any intent to defraud Claimant or with any willful disregard for her; All transactions in Claimant's account were authorized by Claimant and were executed with her knowledge and consent; and Claimant has waived the claims asserted in her Statement of Claim.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$268,000
Punitive Damages	\$804,000
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents First Allied requested:

Other Monetary/Non-Monetary Relief:	unspecified
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OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of Claimant, Lana Harden, the undersigned Arbitrators have determined that Respondent, Robert Albert Skulman, has been properly served with the Statement of Claim pursuant to Rules 10302 and 10314 of the NASD Code of Arbitration Procedure ("the Code.") The undersigned Arbitrators have also determined that Respondent, Robert Albert Skulman, did receive due notice of the hearing as required under Rule 10318 of the Code.

Respondent, Robert Albert Skulman, did not file with NASD Regulation, Inc. Office of Dispute Resolution, a properly executed submission to arbitration, but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure and is bound by the determination of the arbitration panel on all issues submitted.

Respondent, First Allied Securities, Inc. did not file with NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration, but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure and having answered the claim, appeared and offered testimony at the hearing is bound by the determination of the arbitration panel on all issues submitted.

The parties present at the hearing 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 evidence presented at the hearing, and the post hearing submissions, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That First Allied Securities, Inc. and Robert Albert Skulman are jointly and severally liable for and shall pay Claimant, Lana Harden, compensatory damages of \$100, 000 (one hundred thousand dollars);
2. That First Allied Securities, Inc. and Robert Albert Skulman are jointly and severally liable for and shall pay Claimant, Lana Harden, attorneys' fees of \$30, 000 (thirty thousand dollars). In making this award of attorneys' fees, the panel reviewed and considered the pleadings, briefs, motions, oral argument, post hearing submissions, and case and statutory law contained therein, and have determined that authority exists for this award of attorneys' fees;
3. That First Allied Securities, Inc. and Robert Albert Skulman are jointly and severally liable for and shall pay Claimant, Lana Harden, prejudgment interest at the prime interest rate from October 31, 1997 until June 30, 2000;
4. That First Allied Securities, Inc. and Robert Albert Skulman are jointly and severally liable for and shall pay Claimant, Lana Harden, interest on judgment at the prime interest rate from the date of receipt of the award until paid in full;
5. That any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$250

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. In this matter, the member firm is a party and the Respondent's former firm.

Member surcharge	= \$2,500
Pre-hearing process fee	= \$4,500
Hearing process fee	= \$600

Adjournment Fees

Adjournments requested during these proceedings:

October 26, 2000 adjournment by First Allied Securities, Inc. = \$1000

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with Panel x \$1000	= \$1000
Pre-hearing conference: November 12, 2001	1 session
Four (4) Hearing sessions x \$1000	= \$1000
Hearing Dates: February 26, 2001	2 sessions
February 27, 2001	2 sessions
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Total Forum Fees	= \$5000

1. The Arbitration Panel has assessed \$5000 jointly and severally to Respondents First Allied Securities and Robert Skulman.

Fee Summary

1. Claimant, Lana Harden, be and hereby is solely liable for:

Initial Filing Fee	= \$250
<u>Administrative Costs</u>	= \$0
Total Fees	= \$250
<u>Less payments</u>	= \$1,250
Refund due	= \$1000

2. Respondent, First Allied Securities, Inc., and hereby is solely liable for:

Member Fees	= \$7,600
Adjournment Fee	= \$1,000
<u>Administrative Costs</u>	= \$0
Total Fees	= \$8,600
<u>Less payments</u>	= \$7,600

Balance Due NASD Dispute Resolution, Inc. = \$1,000

4. Respondents, First Allied Securities, Inc. and Robert Albert Skulman, be and hereby are jointly and severally liable for:

Forum Fee = \$5,000

Balance Due NASD Dispute Resolution, Inc. = \$5,000

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

/s/ Joe S. Shepherd

April 30, 2001

Joe S. Shepherd
Public Arbitrator, Presiding Chair

Signature Date

/s/ James Goble

April 30, 2001

James Goble
Public Arbitrator

Signature Date

/s/ Earl A. Shields, Jr.

April 30, 2001

Earle A. Shields, Jr.
Industry Arbitrator


Signature Date

4. Respondents, First Allied Securities, Inc. and Robert Albert Skulman, be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	= \$5,000
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$5,000

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature


Joe S. Shepherd
Public Arbitrator, Presiding Chair

30 APRIL 2001
Signature Date

James Goble
Public Arbitrator

Signature Date

Earle A. Shields, Jr.
Industry Arbitrator

Signature Date

4. Respondents, First Allied Securities, Inc. and Robert Albert Skulman, be and hereby are jointly and severally liable for:

Forum Fee	= \$5,000
Balance Due NASD Dispute Resolution, Inc.	= \$5,000

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

Joe S. Shephard
Public Arbitrator, Presiding Chair

Signature Date



James Goble
Public Arbitrator



Signature Date

Earle A. Shields, Jr.
Industry Arbitrator

Signature Date

4. Respondents, First Allied Securities, Inc. and Robert Albert Skulman, do and hereby are jointly and severally liable for:

<u>Forum Fee</u>	= \$5,000
Balance Due NASD Dispute Resolution, Inc.	= \$5,000

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

Joe S. Shepherd
Public Arbitrator, Presiding Chair

Signature Date

James Goble
Public Arbitrator

Signature Date

Earle A. Shields Jr.
Earle A. Shields, Jr.
Industry Arbitrator

4/30/01
Signature Date