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NASD Arbitration Mediation

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Zahra Khiaban and Davoud Khiaban, Claimants v. First Allied Securities, Inc., Eric Baron and Anthony Galeotafiore, Respondents

Case Number: 99-00929

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Paul W. Thomas, Esq.
Paul W. Thomas & Associates
Carlsbad, California

For Respondents First Allied Securities, Inc.
and Eric Scott Baron, Sr.:

Brian J. Neville, Esq.
Kogan, Taubman & Neville, L.L.C.
New York, New York

For Respondent Anthony Galeotafiore:

Scott M. Zucker, Esq.
Law Office of Scott M. Zucker
Lake Success, New York

CASE INFORMATION

Statement of Claim filed: February 26, 1999

Claimants' Uniform Submission Agreement signed: April 6, 1999

Joint Statement of Answer filed by Respondents First Allied Securities, Inc. and Eric Scott Baron, Sr.: June 17, 1999

Statement of Answer filed by Respondent Anthony Galeotafiore: June 14, 1999

Respondent Anthony Galeotafiore's Uniform Submission Agreement signed: June 14, 1999

CASE SUMMARY

Claimants alleged violations of federal and state securities laws, violation of RICO laws, negligence, violation of the Rules of the New York Stock Exchange, violation of the NASD Rules of Fair Practice, breach of contract, breach of fiduciary duty, fraud, intentional misrepresentation, negligent misrepresentation, and negligence. The allegations arose in connection with the purchase and/or sale of stock in Ericsson Telephone Company, Intel, and America Online.

Respondents First Allied Securities, Inc. and Eric Scott Baron, Sr. denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

Respondent Anthony Galeotafiore denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages of \$166,098.00, punitive damages, interest, costs, and attorney's fees.

Respondents First Allied Securities, Inc. and Eric Scott Baron, Sr. requested dismissal of the Claimants' Statement of Claim in its entirety.

Respondent Anthony Galeotafiore requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents First Allied Securities, Inc. and Eric Scott Baron, Sr. did not file with the NASD Dispute Resolution, Inc. properly executed submission agreements but are required to submit to arbitration pursuant to the Code and having answered the claim are bound by the determination of the Panel on all issues submitted.

On April 24, 2000, the parties settled this matter.

On November 15, 2000, the parties requested the expungement of Respondents Eric Scott Baron, Sr. and Anthony Galeotafiore's registration records maintained by the NASD Central Registration Depository ("CRD").

On November 15, 2000, the parties agreed to jurisdiction in the United States District Court, Eastern District of New York, or the New York State Supreme Court, Suffolk County, for confirmation of the Award, or the Superior Court of California, County of San Diego, North County Division.

On November 15, 2000, the parties agreed to accept service in any subsequent proceeding to confirm this award by Certified U.S. Postal Mail to its counsel; and further agreed not to oppose any Motion to Confirm this award.

On November 15, 2000, the parties agreed to bear their own costs and attorney's fees.

AWARD

After considering the pleadings, the Panel decided in full and final resolution of the issues submitted for determination as follows:

RECOMMENDATION
The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Eric Scott Baron, Sr.'s registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Eric Scott Baron, Sr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Anthony Galeotafiore's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Anthony Galeotafiore must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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 = \$ 200.00

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 event of the dispute. Accordingly, the member firm First Allied Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 2,500.00
Total Member Fees	= \$ 4,600.00

Adjournment Fees

The following adjournment fees are assessed for the March 1, 2, and 3, 2000, adjournment requested by all parties:

One-half of the postponement fee (\$750) jointly and severally assessed to Claimants = \$ 375.00

One-half of the postponement fee (\$750) jointly and severally assessed to Respondents = \$ 375.00

First Allied Securities, Inc., Eric Scott Baron, Sr., and Anthony Galeotafiore

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 Panel.

The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$750.00/session = \$ 750.00
Pre-hearing conference: December 20, 2000 1 session

Total Forum Fees = \$ 750.00

1. The Panel assessed \$ 375.00 of the forum fees jointly and severally to Claimants Zahra Khiaban and Davoud Khiaban.
2. The Panel assessed \$ 375.00 of the forum fees jointly and severally to Respondents First Allied Securities, Inc., Eric Scott Baron, Sr., and Anthony Galeotafiore.

Fee Summary

1. Claimants Zahra Khiaban and Davoud Khiaban are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 200.00
Adjournment Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 375.00
Total Fees	= \$ 950.00
<u>Less payments</u>	= \$ (950.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

2. Respondent First Allied Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
<u>Less payments</u>	= \$ (4,600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Respondents First Allied Securities, Inc., Eric Scott Baron, Sr., and Anthony Galeotafiore are charged jointly and severally with the following fees and costs:

Adjournment Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 375.00
Total Fees	= \$ 750.00
<u>Less payments by First Allied Securities, Inc.</u>	= \$ (750.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

Parties' Signatures

Zahra Khiaban
Claimant

Signature Date

Davoud Khiaban
Claimant

Signature Date


First Allied Securities, Inc.
Respondent

12/21/00
Signature Date


Eric Scott Baron, Sr.
Respondent

12/6/00
Signature Date


Anthony Galeotafiore
Respondent

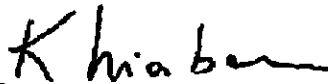
12/1/00
Signature Date

ASD Dispute Resolution, Inc.

Arbitration No. 99-00929

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Parties' Signatures



Zahra Khiaban
Claimant

12/28/00
Signature Date



David Khiaban
Respondent

12/28/00
Signature Date


Allied Securities, Inc.

Respondent

Signature Date

12/6/00
Signature Date

Mr. Scott Baron, Sr.

Respondent



Anthony Calomandore
Respondent

12/4/00
Signature Date

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NASD-Arbitration Mediation

Concurring Arbitrators' Signatures



Richard J. Stall, Esq.
Chair, Public Arbitrator

1/8/01
Signature Date

Ernest S. Gould, Esq.
Public Arbitrator

Signature Date

Ernest S. Gould, Esq.
Public Arbitrator

Richard B. Bullock
Non-Public Arbitrator

Signature Date

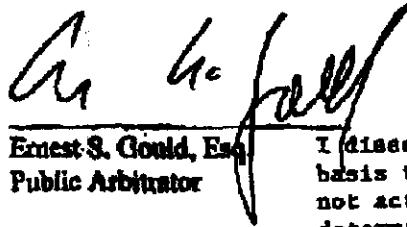
Richard B. Bullock
Non-Public Arbitrator

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 99-00929
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Arbitrators' Signatures

Richard J. Stall, Jr., Esq.
Chair, Public Arbitrator



Signature Date

1-17-01

Ernest S. Gould, Esq.
Public Arbitrator

I dissent solely on the basis that the panel did not actually hear or determine this matter.

Signature Date

Richard B. Bullock
Non-Public Arbitrator

Signature Date

Richard B. Bullock
Non-Public Arbitrator

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 99-00829
Award Page 7 of 7

Concurring Arbitrators' Signatures

Richard J. Snall, Jr., Esq.
Chair, Public Arbitrator

Signature Date

Ernest S. Gould, Esq.
Public Arbitrator

Signature Date

Ernest S. Gould, Esq.
Public Arbitrator

Richard B. Bullock
Non-Public Arbitrator

1/8/01
Signature Date

Richard B. Bullock
Non-Public Arbitrator

Date of Service