

**NASD**

**OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

DEAN BAKER  
(CRD No. 4493790)

Respondent.

Disciplinary Proceeding  
No. E072003109501

Hearing Officer: DRP

**ORDER ACCEPTING OFFER OF  
SETTLEMENT**

Date: June 28, 2006

**INTRODUCTION**

Disciplinary Proceeding No. E072003109501 was filed on December 9, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent Baker submitted an Offer of Settlement ("Offer") to Complainant on June 14, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

### **BACKGROUND**

Respondent Dean Baker ("Baker") was first registered as a general securities representative in February 2002, while associated with former member L.H. Ross & Company, Inc. ("L.H. Ross"). Baker was employed by L.H. Ross until August 2004. He was subsequently employed by two other member firms in non-registered capacities and was last employed by a member in August 2005. Baker is not currently employed by a NASD member.

### **FINDINGS AND CONCLUSIONS**

It has been determined that the Offer be accepted and that findings be made as follows:

Respondent Baker executed numerous egregious unauthorized trades in multiple customer accounts, used margin without authorization and overbought trades that were authorized in a pattern of knowing misconduct. Specifically, Respondent Baker knowingly or recklessly entered a total of twenty-two (22) unauthorized trades in seven (7) customer accounts during a 19-month period from May 2002 to November 2003, while employed by L.H. Ross. Based on the foregoing, Respondent Baker violated NASD Conduct Rules 2110 and 2120 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, thereunder.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

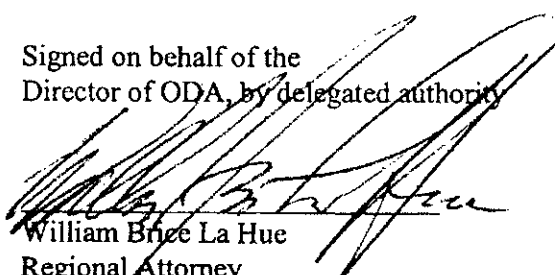
### **SANCTIONS**

It is ordered that Respondent Baker be barred from association with any NASD member in all capacities. Respondent Baker is further ordered to pay restitution to customers SR, MH, ND, SM, JG and DS in the total amount of \$22,841.47 (as specifically listed on Exhibit A, attached hereto and made a part hereof), plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from May 2, 2002, until the date of payment. Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm following the suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Respondent cannot locate any customer listed above after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided. The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar is effective upon approval or acceptance of this Offer by the NAC.

**SO ORDERED.**

NASD

Signed on behalf of the  
Director of ODA, by delegated authority



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Regional Attorney

NASD Department of Enforcement

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**EXHIBIT A**

| <u>Customer</u> | <u>Amount</u>     |
|-----------------|-------------------|
| SR              | \$5,714.98        |
| MH              | \$511.00          |
| SM              | \$133.00          |
| DS              | \$5,732.49        |
| JG              | \$1,250.00        |
| ND              | <u>\$9,500.00</u> |
|                 | \$22,841.47       |