

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

DEAN BAKER
(CRD No. 4493790)

Respondent.

Disciplinary Proceeding
No. E072004052202

Hearing Officer: SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 28, 2006

INTRODUCTION

Disciplinary Proceeding No. E072004052202 was filed on May 17, 2006, 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 an NASD member.

FINDINGS AND CONCLUSIONS

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

1. Respondent Baker executed numerous unauthorized trades in multiple customer accounts. Specifically, Respondent Baker entered a total of ninety-three (93) unauthorized trades in four (4) customer accounts from on or about December 16, 2003 through on or about April 4, 2004, while employed by L.H. Ross.
2. In order to induce customers to make purchases that were authorized, Respondent Baker made baseless price predictions, used time sensitivity when recommending stocks and failed to disclose material facts such as risks and conflicts of interest associated with stock purchases. Specifically, Respondent Baker did not advise customers of the risks of investing in Bidville.com, Inc. ("BVLE"), made price predictions about BVLE that were baseless, did not disclose BVLE's failing condition to customers, did not inform

customers that BVLE's auditor had expressed substantial doubt about BVLE's ability to continue as a going financial concern, did not advise customers that LH Ross owned a minority stake in Royal Palm Capital Group and that LH Ross was due to receive 1.5 million shares of BVLE as part of the minority stake.

3. Based on the foregoing, Respondent Baker violated NASD Conduct Rules 2110, 2120, IM 2310-2, 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. 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

A handwritten signature in black ink, appearing to be a stylized 'S' followed by a horizontal line and a large loop, positioned below the text 'by delegated authority'.

Sean W. Firley
Senior Regional Attorney
NASD Department of Enforcement
2500 N. Military Trail, Suite 302
Boca Raton, FL 33431
(561) 443-8125; Fax No. (561) 443-7998