

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Amy L. Buckley

and

02-07220
Phoenix, Arizona

Name of Respondents

Robert W. Baird & Co., Inc.
Rock J. Eiden
Ronald J. Farley

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

Amy L. Buckley ("Claimant") was represented by Jeana R. Webster, Esq. and Martin R. Galbut, Esq., Galbut & Hunter, P.C., Phoenix, Arizona.

Robert W. Baird & Co., Inc. ("Respondent Robert W. Baird"), Rock J. Eiden ("Respondent Eiden") and Ronald J. Farley ("Respondent Farley") were represented by Michael H. Schaalman, Esq., Quarles & Brady LLP, Milwaukee, Wisconsin.

CASE INFORMATION

Statement of Claim and Demand for Arbitration was filed on or about November 27, 2002. Submission Agreement of Claimant Amy L. Buckley was signed on November 26, 2002.

Respondents' Statement of Answer was filed on or about March 3, 2003. Submission Agreement of Respondent Robert W. Baird & Co., Inc. was signed on December 17, 2002. Submission Agreement of Respondent Rock J. Eiden was signed on March 17, 2003. Submission Agreement of Respondent Ronald J. Farley was signed on December 10, 2002.

CASE SUMMARY

Claimant alleges professional negligence-portfolio mismanagement, breach of fiduciary duty, violations of the Arizona Securities Laws, Violation of The Investment Advisors Act of 1940, breach of contract, and negligent supervision. It was specifically alleged:

Respondents breached their fiduciary duty to Ms. Buckley by mishandling the account, engaging in unauthorized trading and utilizing foolish and irresponsible investment "strategies." The deliberate sale of the claimant's bank stocks after she stated she wanted to hold on to them, the foolish investment strategy of selling all positive producers while holding on to all stocks suffering massive loss, the heavy concentration of investments in high-tech and telecomm securities, and the failure to adhere to text book investment strategies, all contributed to the massive losses suffered in the claimant's account. The respondents, by not addressing any of these issues in a proper or responsible manner, are culpable for the considerable loss of money that took place under their supervision.

Claimant also alleged:

Eiden did not design a suitable, diversified portfolio for Ms. Buckley. Instead, he concentrated Ms. Buckley's account in volatile, high-risk, telecommunications and technology stocks.

Mr. Eiden focused all investment potential into high-tech and telecomm stocks, simply ignoring the textbook investment strategy of "diversification and patience." Rather than building claimant a lower-risk portfolio by spreading her investments over a number of industries, Eiden exclusively invested in a high-risk area.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated:

Rock Eiden made suitable recommendations to the Claimant which she specifically authorized. Some of the stocks she purchased, more notably Cisco and Sun Microsystems, were her ideas which she directed Eiden to execute. Her investment portfolio met her investment objective of appreciation with acceptance of risk, and Rock Eiden discussed her investments on a weekly basis. In fact, at one point, he sent her weekly facsimiles listing her investments and the account activity. At no time did Rock Eiden make a purchase or sale on her behalf without prior discussion and authorization. Despite the Claimant's generalized (and unfounded) allegation of unauthorized activity, she did not raise a single complaint until August, 2001, more than a year and a half after the account was opened and purchases and sales began.

In addition, Respondents stated:

..., the sale of the bank stocks and the purchase of telecommunication, technological and internet stocks that in March, 2001 was a well-discussed and thought-out investment strategy to which the Claimant agreed.

RELIEF REQUESTED

Claimant requested an award as follows:

1. Her damages (approximately \$311,000.00), including actual, out of pocket, and expectancy damages;
2. Pre and post- award interest;
3. Her attorneys' fees and costs; and
4. Such other relief as may be just and proper in the circumstances.
5. In addition, Claimant requested that the Arbitration Panel make a referral for disciplinary action.

Respondents requested that the claims asserted against them be dismissed and award them their cost disbursements and attorneys' fees incurred in the defense of this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Having failed to meet her burden of proof, the claims asserted herein shall be and hereby are dismissed and denied in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Ronald J. Farley's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to M Members 99-09 and 99-54, Respondent Ronald J. Farley must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.

4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Robert W. Baird & Co., Inc.

Member surcharge	\$	1,700.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,750.00
Total Member Fees	\$	<u>5,200.00</u>

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:

1	Pre-hearing session(s) with Panel	x	1,125.00	\$	1,125.00
	June 23, 2003	1 session			
8	Hearing sessions	x	1,125.00	\$	9,000.00
	November 4, 2003	2 sessions			
	November 5, 2003	3 sessions			
	November 6, 2003	3 sessions			
		Total Forum Fees	\$	<u>10,125.00</u>	

The Arbitration Panel has assessed \$5,062.50 of the forum fees to Amy L. Buckley.

The Arbitration Panel has assessed \$5,062.50 of the forum fees jointly and severally to Robert W. Baird & Co., Inc. and Rock J. Eiden.

Fee Summary

Claimant, Amy L. Buckley, shall be and hereby is liable for:

Initial Filing Fee	= \$	300.00
<u>Forum Fees</u>	= \$	5,062.50
Total Fees	= \$	5,362.50
<u>Less payments</u>	= \$	-1,425.00
Balance Due NASD Dispute Resolution	= \$	3,937.50

Respondent, Robert W. Baird & Co., Inc., shall be and hereby is liable for:

Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	0.00
Total Fees	= \$	5,200.00
<u>Less payments</u>	= \$	-5,200.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Robert W. Baird & Co., Inc. and Rock J. Eiden, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	5,062.50
Total Fees	= \$	5,062.50
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	5,062.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

David B. Stocker, Esq. - Public Arbitrator, Presiding Chair
John J. Balitis, Jr., Esq. - Public Arbitrator
Charles Taylor - Non-Public Arbitrator

Concurring Arbitrators:

/s/ David B. Stocker
David B. Stocker, Esq.
Public Arbitrator, Presiding Chair

November 6, 2003
Signature Date

/s/ John J. Balitis, Jr.
John J. Balitis, Jr., Esq.
Public Arbitrator

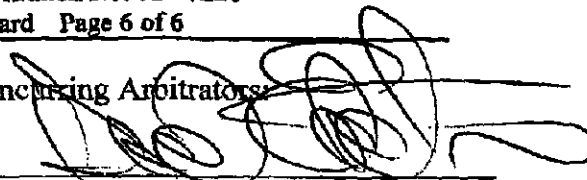
November 6, 2003
Signature Date

/s/ Charles Taylor
Charles Taylor
Non-Public Arbitrator

November 6, 2003
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 02-07220
Award Page 6 of 6

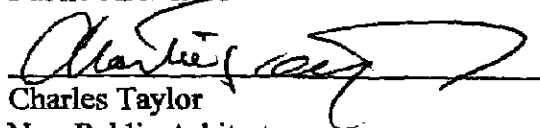
Concurring Arbitrators:


David B. Stocker, Esq.
Public Arbitrator, Presiding Chair

11/6/03
Signature Date


John J. Balitis, Jr., Esq.
Public Arbitrator

11/6/03
Signature Date


Charles Taylor
Non-Public Arbitrator

6 Nov 03
Signature Date