

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants
Stacey Stewart and Julie Stewart

Case Number: 03-01946

Name of the Respondent
Robert W. Baird & Co., Inc.

Hearing Site: Chicago, Illinois

NATURE OF THE DISPUTE

Customers v. Member Firm

REPRESENTATION OF PARTIES

Tracy Pride Stoneman, Esq., with Law Offices located in Westcliffet, Colorado, represented Claimants Stacey Stewart and Julie Stewart, hereinafter referred to as "Claimants."

Todd Holleman, Esq., of Miller Canfield Paddock & Stone, PC represented Respondent Robert W. Baird & Co., Inc., hereinafter referred to as "Respondent."

CASE INFORMATION

Claimants filed the Joint Statement of Claim on or about March 13, 2003. Claimants each signed the Uniform Submission Agreement on February 10, 2003.

Respondent filed a Statement of Answer on May 16, 2003. Respondent signed the Uniform Submission Agreement on March 31, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; common law fraud; failure to supervise and *respondeat superior*; misrepresentations, unsuitability; Violations of Federal and State securities laws and rules; and negligence/breach of industry standards.

The causes of action relate to investments related to the McLeod stock, investments in UTIs, and the use of margin.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief can be granted; Claimants' negligence, comparative negligence and/or

contributory negligence; negligence, comparative negligence and contributory negligence of other third parties' act and actions; ratification; waiver, estoppel, laches, and release; lack of reliance on any alleged acts, misrepresentations or omissions; Claimants exercised active control over the accounts and all investments related thereto; all transactions were conducted in accordance with applicable Exchange and NASD rules and regulations; the alleged actions of Respondent were not the proximate cause or cause in fact of any alleged injury; Respondent exercised due care and acted in good faith with respect to Claimants and their account; failure to mitigate; Claimants failed to give notice of the acts that are the basis of their complaint; statute of limitations; and Respondent reserved the right to add other and additional affirmative defenses and amend its answer after a reasonable opportunity for discovery.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,200,000.00, punitive damages, statutory interest, unrealized profits, \$108,000.00 for margin interest paid, attorney's fees, costs, and any such relief the Panel deems just and equitable.

Respondents requested denial and dismissal of claims.

AWARD

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

1. Any and all claims asserted by Stacey Stewart and Julie Stewart against Robert W. Baird & Co., Inc. are denied.
2. Except for the forum fees associated with this matter, which are specified herein, the parties shall bear their own costs, including attorney's fees.
3. 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 Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee

= \$ 500.00

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. Accordingly, Robert W. Baird, as a party, is assessed the following fees:

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00
Total	= \$ 8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

Claimants request postponement of the hearing dates set for July 21, 2004- July 25, 2004 = \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel at \$1,200.00	= \$ 2,400.00
Pre-hearing conferences:	
November 5, 2003	1 session
September 2, 2004	1 session
Ten (10) Hearing sessions at \$1,200.00	= \$12,000.00
Hearing Dates:	
February 28, 2005	2 sessions
March 1, 2005	2 sessions
March 2, 2005	2 sessions
March 3, 2005	2 sessions
March 4, 2005	2 sessions
Total Forum Fees	= \$14,400.00

The Panel assessed \$14,400.00 of the forum fees to Robert W. Baird & Co., Inc.

FEE SUMMARY

Claimants Stacey Stewart and Julie Stewart are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,200.00
Total Fees	= \$ 1,700.00
Less payments	= \$ 1,800.00
Refund Due from NASD Dispute Resolution	= \$ 100.00

Respondent Robert W. Baird & Co., Inc., is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$14,400.00
Total Fees	= \$22,950.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$14,400.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Alan E. Case, Esq.	-	Public Arbitrator, Presiding Chairperson
Peter Ordower, Esq.	-	Public Arbitrator
Robert E. Waite	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Alan E. Case

3/11/05

Alan E. Case, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Peter Ordower

3/11/05

Peter Ordower, Esq.
Public Arbitrator

Signature Date

/s/ Robert E. Waite

3/14/05

Robert E. Waite
Non-Public Arbitrator

Signature Date

3/14/05

Date of Service (For NASD Dispute Resolution office use only)

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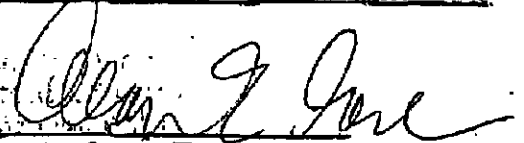
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