

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant/ Counterclaim Respondent

Robert W. Baird & Co., Incorporated

and

03-02483

Milwaukee, Wisconsin

Name of Respondent/ Counterclaim Claimant

Stephen C. Carver

Nature of the Dispute: Customer vs. Member

Counterclaim: Member vs. Customer

REPRESENTATION OF PARTIES

Robert W. Baird & Co., Incorporated ("**Baird**") or ("**Claimant/ Counterclaim Respondent**") was represented by Brian D. Trexell, Esq., of Robert W. Baird & Co., located in Milwaukee, Wisconsin.

Stephen Carver ("**Carver**") and or ("**Respondent/ Counterclaim Claimant**") was represented by Jeffery Rock, Esq. of Hasselberg, Rock, Bell, & Kuppler, located in Chicago, Illinois.

CASE INFORMATION

Baird filed its Statement of Claim on or about April 15, 2003. Baird filed its Submission Agreement on June 6, 2003.

Carver filed his Statement of Answer and Counterclaim on June 3, 2003. Carver filed his Uniform Submission Agreement on June 3, 2003.

On July 25, 2003 Baird filed a Response to Carver's Counterclaim.

CASE SUMMARY

Claimant/Counterclaim Respondent alleged as follows: Carver was employed as a Baird Financial Advisor on October 27, 2000. Baird provided Carver with an advance of \$110,00.00 in the form of a Promissory Note, ("the Note"). According to the terms of the Note, Baird agreed to forgive \$41,833.33 for year that Carver remained associated with Baird. The Note further provided that in the event that Carver's employment terminated, Baird could claim the balance of the principal and accrued interest. Baird alleges that on October 10, 2002, Carver was terminated for cause and is in breach of contract for failure to repay the amount due on the Note.

Unless specifically admitted in his Statement of Answer and Counterclaim, Carver denies the allegations set forth in the Statement of Claim and sets forth the following affirmative defenses: Baird was in breach of its contract to Carver when Carver was terminated without cause and Carver is not obligated to reimburse Baird for the amounts advanced to him pursuant to the Note.

In his Counterclaim Carver alleges the following causes of action: Breach of Contract; violations of Illinois employee compensation laws and termination without cause.

On July 25, 2003 Baird filed a Response to Carver's Counterclaim. Unless specifically admitted in their response, Baird denied the allegations set forth in the Counterclaim.

RELIEF REQUESTED

Claimant/ Counterclaim Respondent requested an award in the amount of \$56,250.11. Claimant/Counterclaim Respondents also requested that the Counterclaim be dismissed in its entirety.

Respondent/ Counterclaim Claimant requested that the claims asserted against him be dismissed in their entirety and that he be awarded \$8,646.11 in lost compensation plus additional damages for lost wages and lost income.

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 originals 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. Claimant/ Counterclaim Respondent Robert W. Baird & Co., Incorporated's claims against Stephen C. Carver are dismissed in their entirety with prejudice;
2. Claimant/ Counterclaim Respondent Robert W. Baird & Co., Incorporated is liable for and shall pay to Respondent/Counterclaim Claimant Stephen C. Carver the sum of \$5,362.81 in compensatory damages;

3. The Panel recommends the modification of Respondent Stephen C. Carver's U5 maintained by the NASD Central Registration Depository ("CRD") as follows: Paragraph (3) three should read "Resigned" instead of "Permitted to Resign." The "Reason for Termination" section which currently reads "Verbal customer complaint and failed to obtain manager approval of correspondence." should be removed from the U5.;
4. 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; and,
5. 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, not specifically awarded or otherwise provided for above.

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	= \$	750.00
Counterclaim filing fee	= \$	250.00

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. In this matter, the member firm is Robert W. Baird.

Member surcharge	= \$	1,100.00
Pre-hearing process fee	= \$	750.00
Hearing process fee	= \$	1,700.00
Total Member Fees =	\$	<u>3,550.00</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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

1	Pre-hearing session with Panel	x	750.00	= \$	750.00
	December 10, 2003	1	session		
2	Hearing sessions	x	750.00	= \$	1,500.00
	March 2, 2003	2	sessions		
	Total Forum Fees			= \$	<u>2,250.00</u>

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Robert W. Baird Incorporated, Co.
The Arbitration Panel has assessed \$1,125.00 of the forum fees to Stephen C. Carver.

Fee Summary

Claimant Baird is liable for:

Member Fees	= \$	3,550.00
Initial Filing Fee	= \$	1,000.00
<u>Forum Fees</u>	= \$	<u>1,125.00</u>
Total Fees	= \$	5,675.00
<u>Less payments</u>	= \$	<u>-5,300.00</u>
Balance Due NASD Dispute Resolution	= \$	375.00

Respondent Carver is liable for:

Filing Fees	= \$	75.00
Forum Fees	= \$	1,125.00
<u>Less payments</u>	= \$	<u>500.00</u>
Balance Due NASD Dispute Resolution	= \$	700.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Jerome J. Brault- Non-Public, Presiding Chair
Mark E. Larson, Jr., Esq. Non- Public Arbitrator
Kevin P. Gerard, CPA - Non-Public Arbitrator

Concurring Arbitrators:

Jerome J. Brault
Non-Public Arbitrator, Presiding Chair

Signature Date

Mark E. Larson, Jr., Esq.
Non-Public Arbitrator

Signature Date

Kevin P. Gerard, CPA
Non-Public Arbitrator

Signature Date

April 8, 2004

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Arbitration No. 03-02483

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Concurring Arbitrators:


Jerome J. Brault
Non-Public Arbitrator, Presiding Chair

3/23/04
Signature Date

Mark E. Larson, Jr., Esq.
Non-Public Arbitrator

Signature Date

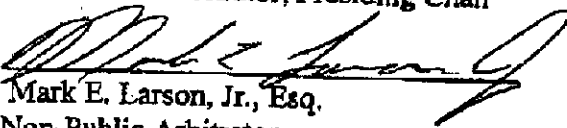
Kevin P. Gerard, CPA
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution
Arbitration No. 03-02483
Award Page 5 of 5

Concurring Arbitrators:

Jerome J. Brault
Non-Public Arbitrator, Presiding Chair



Mark E. Larson, Jr., Esq.
Non-Public Arbitrator

Signature Date

4/6/2004

Signature Date

Kevin P. Gerard, CPA
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution
Arbitration No. 03-02483
Award Page 5 of 5

Concurring Arbitrators:

Jerome J. Brault
Non-Public Arbitrator, Presiding Chair

Signature Date

Mark E. Larson, Jr., Esq.
Non-Public Arbitrator

Signature Date



Kevin P. Gerard, CPA
Non-Public Arbitrator



4-6-04
Signature Date