

**STIPULATED AWARD
NASD DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

Names of Claimants

Todd V. Montgomery, Jr. and Debra A. Stefl

and

Case Number: 04-05232

Hearing Location: Milwaukee, Wisconsin

Name of Respondent

Robert W. Baird & Co., Incorporated

NATURE OF DISPUTE

Associated Persons v. Member Firm

REPRESENTATION OF PARTIES

Todd V. Montgomery, Jr. and Debra A. Stefl ("Claimants") were represented by John F. Hovel, Esq. and Michael Fischer, Esq., Kravit, Hovel, Krawczyk & Leverson, SC, Milwaukee, Wisconsin.

Robert W. Baird & Co. Incorporated ("Respondent" or "Baird") was represented by Michael H. Schaalman, Esq. and Elizabeth C. Perkins, Esq., Quarles & Brady, LLP, Milwaukee, Wisconsin.

CASE INFORMATION

The Statement of Claim was filed on or about July 20, 2004. The Submission Agreement was signed by Claimants on or about July 19, 2004.

The Statement of Answer was filed by Respondent on or about September 20, 2004. The Submission Agreement was signed by Respondent on or about July 29, 2004.

CASE SUMMARY

Claimants asserted the following alleged causes of action: breach of fiduciary duty, wrongful termination, tortious interference, and defamation. Claimants alleged that Baird breached its fiduciary duty to both Mr. Montgomery and Ms. Stefl; that Baird tortiously interfered with the prospective business relations of Claimants; that Baird defamed Claimants; and that Baird violated the Fair Credit Reporting Act as it related to Mr. Montgomery.

Respondent denied the allegations giving rise to liability on each of the claims. It specifically stated that Baird developed various concerns about Mr. Montgomery and that, despite Baird's

attempts to convince Ms. Stefl to remain with Baird, Ms. Stefl had voluntarily resigned from Baird.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested an award dismissing the Statement of Claim with prejudice and awarding Respondent its costs, disbursements, and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Claimants and Respondent have entered into a Settlement Agreement and Release resolving all claims in this matter and providing, among other things, that the Statement of Claim should be dismissed and that Respondent will execute and forward to the appropriate recipients whatever documentation is reasonably necessary to enable, authorize, and/or permit the NASD, the NYSE, or any other regulatory body to amend the Form U-5 (the Uniform Termination Notice for Securities Industry Termination) regarding Mr. Montgomery to reflect that Mr. Montgomery voluntarily resigned from Baird in October 2003.

AWARD

After considering the parties' submissions and representations, and the attached stipulation, but without making any other findings of fact or conclusions of law, the undersigned arbitrators find as follows:

1. The Panel recommends that the pertinent Form U-5 regarding Claimant, Todd V. Montgomery, Jr., be amended or modified to reflect "voluntarily resignation" as opposed to "discharged" from Baird in October, 2003;
2. All of Claimants' claims asserted against Baird are otherwise dismissed with prejudice;
3. Other than Forum Fees, each party should bear its own costs and expenses; and
4. Any relief not specifically enumerated, including punitive damages and attorneys' fees, is denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Robert W. Baird & Co., Incorporated.

Member surcharge = \$ 1,500.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,200.00

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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00

Pre-hearing conferences: February 3, 2005 1 session

April 11, 2005 1 session

One (1) Pre-hearing session with Panel x \$1,000.00 = \$ 1,000.00

Pre-hearing conference: December 9, 2004 1 session

Total Forum Fees = \$ 1,900.00

The Arbitration Panel has assessed \$950.00 of the forum fees jointly and severally to Todd V. Montgomery, Jr. and Debra A. Stefl.

The Arbitration Panel has assessed \$950.00 of the forum fees to Robert W. Baird & Co., Incorporated.

Fee Summary

Claimants, Todd V. Montgomery, Jr. and Debra A. Stefl, are jointly and severally liable for:

Initial Filing Fee = \$ 250.00

Forum Fees = \$ 950.00

Total Fees	= \$ 1,200.00
<u>Less payments</u>	<u>= \$ 1,500.00</u>

Refund Due to Claimants = \$ 300.00

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

Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	<u>= \$ 950.00</u>
Total Fees	= \$ 5,400.00
<u>Less payments</u>	<u>= \$ 4,450.00</u>

Balance Due NASD Dispute Resolution = \$ 950.00

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

ARBITRATION PANEL

Richard A. Van Kalker, Esq. - Public Arbitrator, Presiding Chair
Thomas F. Mahoney, Esq. - Public Arbitrator
Roy Clyde George - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Richard A. Van Kalker, Esq.
Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chair

February 15, 2006
Signature Date

/s/ Thomas F. Mahoney, Esq.
Thomas F. Mahoney, Esq.
Public Arbitrator

February 14, 2006
Signature Date

/s/ Roy Clyde George
Roy Clyde George
Non-Public Arbitrator

February 14, 2006
Signature Date

February 15, 2006
Date of Service (For NASD office use only)

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Arbitration No. 04-05232,
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Thomas F. Mahoney, Esq. - Public Arbitrator

Roy Clyde George - Non-Public Arbitrator

Concurr ng Arbitrators:

Robert

Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chair

Signature Date 2/15/06

Thomas F. Mahoney, Esq.
Public Arbitrator

Signature Date

Roy Clyde George
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Concurring Arbitrators:

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Public Arbitrator, Presiding Chair

Signature Date

Thomas F. Mahoney

Thomas F. Mahoney, Esq.
Public Arbitrator

14 FEB 06

Signature Date

Roy Clyde George
Non-Public Arbitrator

Signature Date

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Thomas F. Mahoney, Esq. - Public Arbitrator
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Concurring Arbitrators:

Richard A. Van Kalker, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Thomas F. Mahoney, Esq.
Public Arbitrator

Signature Date

Roy Clyde George
Non-Public Arbitrator

02/14/06
Signature Date

Date of Service (For NASD office use only)