

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

ThinkEquity Partners LLC, Inc., Claimant v. Robert W. Baird & Co., Incorporated, Trace A. Urdan, Cornelia C. Weggen and Jeffrey S. Lee, Respondents

Trace A. Urdan and Cornelia C. Weggen, Counter-Claimants v. ThinkEquity Partners LLC, Inc., Counter-Respondent

Trace A. Urdan and Cornelia C. Weggen, Third-Party Claimants v. Ann Charlotte McCague, Third-Party Respondent

Case Number: 04-06779

Hearing Site: San Francisco, California

Nature of the Dispute: Member v. Member and Associated Persons
 Associated Persons v. Member
 Associated Persons v. Associated Person

REPRESENTATION OF PARTIES

For Claimant and Counter-Respondent:

Robert S. Shwartz
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

For Respondents, Counter-Claimants and
Third-Party Claimants:

Elissa L. Isaacs
Gardner Carton & Douglas LLP
Chicago, Illinois

For Third-Party Respondent:

Ann Charlotte McCague
St. Louis Park, Minnesota

CASE INFORMATION

Statement of Claim filed: September 27, 2004

Claimant and Counter-Respondent ThinkEquity Partners LLC, Inc.'s ("ThinkEquity")
Answer to Counterclaim filed: October 17, 2004

Claimant and Counter-Respondent ThinkEquity's Arbitration Brief and Reply to
Respondents' Memorandum in Opposition to Claimant ThinkEquity's Request for
Injunctive Relief filed: October 19, 2004

Declarations in Support of Claimant and Counter-Respondent ThinkEquity's Arbitration Brief filed: October 19, 2004

Claimant and Counter-Respondent ThinkEquity's Uniform Submission Agreement signed: September 23, 2004

Respondents Robert W. Baird & Co., Incorporated ("Baird"), Trace A. Urdan, Cornelia C. Weggen and Jeffrey S. Lee's Answer to Statement of Claim, Affirmative Defenses, and Counterclaim filed: October 13, 2004

Respondents' Memorandum in Opposition to Claimant ThinkEquity's Request for Injunctive Relief filed: October 13, 2004

Respondent Baird's Uniform Submission Agreement signed: October 8, 2004

Respondent Trace A. Urdan's Uniform Submission Agreement signed: October 5, 2004

Respondent Cornelia C. Weggen's Uniform Submission Agreement signed: October 5, 2004

Respondent Jeffrey S. Lee's Uniform Submission Agreement signed: October 4, 2004

CASE SUMMARY

Claimant alleged that this is an action for permanent injunctive relief and damages arising out of Respondents' theft of ThinkEquity's trade secrets and other information of great value to ThinkEquity, false advertising, unfair competition, California trademark infringement, conversion and breach of contract. Claimant also alleged the following claims: 1) Misappropriation of Trade Secrets Against All Respondents; 2) Common Law Misappropriation and Unfair Competition Against All Respondents; 3) Breach of the Duty of Loyalty Against Urdan, Weggen and Lee; 4) Commission of Computer Crimes Against All Respondents Pursuant to California Penal Code Section 502(c); 5) Breach of Contract Against Urdan, Weggen and Lee; 6) Unfair Competition Against All Respondents Pursuant to California Business Professions Code §17200; 7) California State Law Trademark Infringement Against All Respondents; and 8) Conversion.

Respondents Baird, Trace A. Urdan, Cornelia C. Weggen and Jeffrey S. Lee denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Said Respondents also asserted affirmative defenses.

Trace A. Urdan and Cornelia C. Weggen alleged defamation with respect to their Counterclaim against ThinkEquity and Third-Party Claim against Ann Charlotte McCague.

Counter-Respondent ThinkEquity denied Trace A. Urdan and Cornelia C. Weggen's allegations of wrongdoing and denied any liability with respect to Trace A. Urdan and Cornelia C. Weggen's Counterclaim/Third-Party Claim. ThinkEquity also asserted affirmative defenses.

RELIEF REQUESTED

Claimant ThinkEquity requested:

1. An award in favor of ThinkEquity on all claims for relief;
2. Permanently enjoin Respondents and their officers, agents, servants, employees, and all persons acting in concert with them:
 - (a) from using the name "Knowledge Notes" for any purpose;
 - (b) from using all property of ThinkEquity in their possession, including but not limited to:
 - (i) ThinkEquity's Knowledge Notes subscriber list;
 - (ii) all First Call Notes;
 - (iii) all models prepared by ThinkEquity for ThinkEquity clients;
 - (iv) all reports, studies, customer lists, computer files and other documents created by or on behalf of ThinkEquity (or relating to ThinkEquity's business);
3. Order Respondents to pay ThinkEquity the damages sustained by ThinkEquity as a result of Respondents' unlawful acts;
4. Order Respondents to return all misappropriated materials, including, but not limited to, the items set forth in paragraph 2(b) above;
5. Order Respondents to pay ThinkEquity punitive damages for all claims for relief for which punitive damages are authorized;
6. Order Respondents to pay ThinkEquity its attorneys' fees incurred in this arbitration and all other costs of the arbitration;
7. Order prejudgment and post judgment interest at the maximum legal rate, as provided by the laws of California; as applicable, as an element of damages which ThinkEquity has suffered as a result of the wrongful and illegal acts of Respondents; and
8. Such other and further relief as the Panel deems just and proper.

Respondents Baird, Trace A. Urdan, Cornelia C. Weggen and Jeffrey S. Lee requested an award in their favor and against Claimant ThinkEquity as follows:

1. Denying any injunctive, monetary, or other relief in favor of Claimant;
2. Dismissing Claimant's claims in their entirety with prejudice;
3. Awarding all costs, attorneys' fees, and forum fees incurred in connection with this matter; and
4. Awarding such further relief as is deemed just, equitable, and appropriate.

Counter-Claimants and Third-Party Claimants Trace A. Urdan and Cornelia C. Weggen requested the entry of an arbitration award in their favor and against ThinkEquity and Ann Charlotte McCague, jointly and severally, as follows:

1. Expunging, on the Form U5, Uniform Termination Notice for Securities Industry Registration for Urdan, under the heading "DISCLOSURE QUESTIONS" and the subheading "Internal Review Disclosure," the checking of "YES" in response to question 7B and amending that response to checking "NO";
2. Expunging, on the Form U5, Uniform Termination Notice for Securities Industry Registration for Urdan, under the heading "INTERNAL REVIEW DRP" and the subheading "Internal Review 7(B), PART I," any response by Counter-Respondent/Third-Party Respondent;
3. Expunging, on the Form U5, Uniform Termination Notice for Securities Industry Registration for Weggen, under the heading "DISCLOSURE QUESTIONS" and the subheading "Internal Review Disclosure," the checking of "YES" in response to question 7B and amending that response to checking "NO";
4. Expunging, on the Form U5, Uniform Termination Notice for Securities Industry Registration for Weggen, under the heading "INTERNAL REVIEW DRP" and the subheading "Internal Review 7(B), PART I," any response by Counter-Respondent/Third-Party Respondent;
5. Special and consequential damages in an amount to be determined at the hearing;
6. Punitive damages;
7. Interest, costs, and reasonable attorneys' fees; and
8. Such other relief as the Panel deems just and proper.

Counter-Respondent ThinkEquity requested:

1. That judgment be entered for ThinkEquity and against Counter-Claimants, thereby dismissing the Counterclaim in its entirety, with prejudice, Counter-Claimants to take nothing;
2. That ThinkEquity be awarded its costs of suit and reasonable attorneys' fees; and
3. That the Panel award to ThinkEquity such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about October 4, 2004, Claimant ThinkEquity and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On September 30, 2004, Respondent Baird and Respondent Baird's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On October 1, 2004 and September 30, 2004, Respondent Trace A. Urdan and Trace A. Urdan's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On October 1, 2004 and September 30, 2004, Respondent Cornelia C. Weggen and Cornelia C. Weggen's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On October 1, 2004 and September 30, 2004, Respondent Jeffrey S. Lee and Jeffrey S. Lee's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Third-Party Respondent Ann Charlotte McCague did not file with NASD Dispute Resolution ("NASD-DR") a Statement of Answer or properly executed submission to arbitration. The Panel determined that Ms. McCague has been properly served with the Third-Party Claim and further determined that Ms. McCague is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and is bound by the determination of the Panel on all issues submitted.

On October 25, 2004, the Panel issued the following rulings:

1. A permanent injunction is granted against respondents Robert W. Baird & Co., Incorporated ("Baird") Trace Urdan ("Urdan") and Cornelia Weggen ("Weggen") directing or restraining the following:

a. Respondents are directed to delete or destroy any and all files, records or data removed by respondents from the records or files of ThinkEquity Partners LLC, Inc. ("ThinkEquity"), including but not limited to electronic files, except the following records or files:

- i. The Knowledge Notes subscriber list;
 - ii. Personal contact lists of Urdan and Weggen;
 - iii. Company files compiled by Urdan or Weggen related to companies they followed for research purposes;
 - iv. Models developed by Urdan or Weggen;
 - v. Prior research notes of Urdan or Weggen;
 - vi. Conference attendee lists;
 - vii. Documents used by Urdan to create presentations at conferences;
 - viii. All documents Urdan or Weggen created regarding companies either of them researched.
- b. To assure compliance with the foregoing provisions of the injunction, Think Equity may request inspection of the respondents' records by a neutral third party. Counsel for the parties are directed to make good faith efforts to agree upon the neutral third party and a process and procedure for such inspection, if it is requested by Think Equity. If counsel are unable to agree, they may apply to the arbitrators for supervision of compliance with the injunction.
- c. The respondents are restrained from using the name "Knowledge Notes" for any purpose, except that Urdan and Weggen may cite their roles in the ThinkEquity publication "Knowledge Notes" in biographical information, provided that any such citations shall be factually accurate.

2. All claims against respondent Jeffrey S. Lee are dismissed.

3. The arbitrators have not considered and do not make any award at this time with respect to any claims or counterclaims raised by the parties, other than the claim for permanent injunction. Either party shall have the right to request a further hearing on the remaining claims, to take place after there is an appropriate opportunity for discovery.

The Panel agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings and lack of response by the parties to the Order issued on or about October 17, 2006, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. All claims, counterclaims and third-party claims not previously disposed of by the Panel's rulings of October 25, 2004, are dismissed.
2. Each party shall bear its own costs, including attorneys' fees.
3. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$500.00
Counter-Claim/Third-Party Claim filing fee	= \$250.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, ThinkEquity and Baird are parties and the following fees are assessed:

ThinkEquity

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,200.00
Total Member Fees	= \$4,450.00

Baird

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,200.00
Total Member Fees	= \$4,450.00

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

1. Member firm ThinkEquity is assessed:
Injunctive relief surcharge = \$2,500.00
Additional arbitrator honoraria = \$462.50
2. Member firm Baird and Associated persons
Trace A. Urdan and Cornelia C. Weggen
are jointly and severally assessed:
Additional arbitrator honoraria = \$462.50

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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 conference session with a single arbitrator			
@ \$450.00/session			= \$450.00
Pre-hearing conference:	October 15, 2004	1 session	
(3) Injunctive hearing sessions with the Panel			
@ \$1,000.00/session			= \$3,000.00
Injunctive Hearings:	October 18, 2004	2 sessions	
	October 19, 2004	1 session	
Total Forum Fees			= \$3,450.00

The Panel assessed \$1,725.00 of the forum fees to Claimant ThinkEquity.

The Panel assessed \$1,725.00 of the forum fees jointly and severally to Respondents Baird, Trace A. Urdan and Cornelia C. Weggen.

Fee Summary

1. Claimant and Counter-Respondent ThinkEquity is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,450.00
Injunctive Relief Fees	= \$ 2,962.50
Forum Fees	= \$ 1,725.00
Total Fees	= \$ 9,637.50
Less Payments	= \$(9,950.00)
Refund Due ThinkEquity	= \$(312.50)

2. Respondent Baird is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
Less Payments	= \$(4,450.00)
Balance Due NASD-DR	= \$ 0.00

3. Respondents, Counter-Claimants and Third-Party Claimants Trace A. Urdan and Cornelia C. Weggen are charged jointly and severally with the following fees and costs:

Counterclaim/Third-Party Claim Filing Fee	= \$ 250.00
Less Payments by Cornelia C. Weggen	= \$(250.00)
Balance Due NASD-DR	= \$(0.00)

4. Respondents Baird, Trace A. Urdan and Cornelia C. Weggen are charged jointly and severally with the following fees and costs:

Injunctive Relief Fees	= \$ 462.50
Forum Fees	= \$ 1,725.00
Total Fees	= \$ 2,187.50
Less Payments by Cornelia C. Weggen	= \$(1,000.00)
Less Payments by Trace A. Urdan	= \$(1,250.00)
Refund Due Trace A. Urdan	= \$(62.50)

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

ARBITRATION PANEL

Peter F. Sloss, Esq.	-	Public Arbitrator, Presiding Chair
William W. Haskell, Esq.	-	Public Arbitrator
Jerold R. Babin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Peter F. Sloss, Esq.
Chair, Public Arbitrator

Signature Date

William W. Haskell, Esq.
Public Arbitrator

Signature Date

Jerold R. Babin
Non-Public Arbitrator

Signature Date

Date of Service

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Jerold R. Babin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Peter F. Sloss
Peter F. Sloss, Esq.
Chair, Public Arbitrator

12/14/2006
Signature Date

William W. Haskell, Esq.
Public Arbitrator

Signature Date

Jerold R. Babin
Non-Public Arbitrator

Signature Date

12/15/06
Date of Service

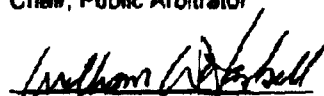
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Peter F. Sloss, Esq.
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Signature Date



William W. Haskell, Esq.
Public Arbitrator

12-17-06

Signature Date

Jerold R. Babin
Non-Public Arbitrator

Signature Date

12/15/06

Date of Service

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Jerold R. Babin
Non-Public Arbitrator

12/15/06
Signature Date

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