

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Northland Securities, Inc. and Seth Kahn

and

Case Number: 06-00054

Hearing Site: Minneapolis, Minnesota

Names of Respondents

Dougherty & Company, LLC, and
Jennifer J. Thompson

NATURE OF DISPUTE

Member Firm and Associated Person v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Northland Securities, Inc. ("**Northland**") and Seth Kahn ("**Kahn**"), hereinafter collectively referred to as "Claimants," were represented by Terrence J. Fleming, Esq., Lindquist & Vennum, PLLP, Minneapolis, Minnesota.

Dougherty & Company, LLC ("**Dougherty & Co.**") and Jennifer J. Thompson ("**Thompson**"), hereinafter collectively referred to as "Respondents," were represented by Joseph W. Anthony, Esq., Anthony Ostlund & Baer, PA, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about January 4, 2006. The Submission Agreement of Claimants, Northland Securities, Inc. and Seth Kahn, was signed on or about January 3, 2006. Memorandum in Opposition to Respondents' Motion to Dismiss and for Award of Attorneys' Fees and Costs was filed on or about February 28, 2006.

On or about January 11, 2006, Respondents, Dougherty & Company, LLC and Jennifer J. Thompson, filed a Letter Brief dated January 3, 2006, to Honorable Janet N. Poston outlining their clients' position on the TRO issues. The Submission Agreement of Respondent, Dougherty & Company, LLC, was signed on or about February 6, 2006. The Submission Agreement of Respondent, Jennifer J. Thompson, was signed on or about February 2, 2006. Memorandum in Support of Respondents' Motion to Dismiss and for Award of Attorneys' Fees and Costs was filed on or about February 14, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: breach of employment contract and intentional interference with business relationships. Claimants are seeking a permanent injunction against Respondents restraining both parties from soliciting Northland's clients in violation of executed agreement and utilizing trade secret and proprietary information. Claimants alleged that they are entitled to the protections afforded them under the terms of the Confidentiality and Non-Solicitation, Non-Disclosure and Property Rights Agreements executed by Thompson. Claimants alleged that Thompson's unlawful conduct already caused irreparable damages.

Unless specifically admitted in their Motion to Dismiss, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can be granted.

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

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

A permanent injunction hearing was held on January 18, 2006. On or about January 19, 2006, the Panel issued an order denying Claimants' request for permanent injunction

On or about April 24, 2006, the Panel issued the following Order granting Respondents' Motion to Dismiss:

This matter came on before the undersigned arbitrators by motion of Respondents to dismiss the claims of claimants with prejudice and for the award of attorneys' fees and costs.

The Panel read the memorandums, affidavits and exhibits provided by counsel for the parties, reviewed the file and considered the arguments of counsel by telephone conference on March 16, 2006.

The following is unanimously ordered:

- 1) All of Claimants' claims presently before the Panel in this matter that Claimants brought against Respondents are dismissed with prejudice;
- 2) All NASD costs that are allocated to Respondents in this matter shall be paid by Claimants jointly and severally together with its own allocated costs; and
- 3) Each party shall be responsible for its own attorneys' fees and related costs.

Discussion

The Panel is mindful that in this case the only relief Claimants sought was injunctive relief. The Panel makes no finding as to the validity or enforceability of any contract between the parties, specifically between Kahn and Thompson. If future claims arise out of any alleged violations of this contract, the NASD is requested to submit such claim to this Panel for resolution.

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 NASD Dispute Resolution ("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.) Claimants' claims, each and all, are dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby 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 = \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms are Northland Securities, Inc. and Dougherty & Company, LLC.

Member surcharge = \$ 1,500.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,200.00

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.

Claimants, Northland Securities, Inc. and Seth Kahn, are jointly and severally assessed

Injunctive relief surcharge = \$ 2,500.00
Additional arbitrator honoraria = \$ 625.00

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 Panel x \$1,000.00 = \$ 2,000.00
Pre-hearing conferences: February 1, 2006 1 session
March 16, 2006 1 session

Two (2) Hearing sessions x \$1,000.00	= \$ 2,000.00
Hearing Date: January 18, 2006 2 sessions	
Total Forum Fees	= \$ 4,000.00

The Arbitration Panel has assessed \$4,000.00 of the forum fees jointly and severally to Northland Securities, Inc. and Seth Kahn.

Fee Summary

Claimant, Northland Securities, Inc., is liable for:

Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,450.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Claimants, Northland Securities, Inc. and Seth Kahn, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Injunctive Relief Fees	= \$ 3,125.00
Forum Fees	= \$ 4,000.00
Total Fees	= \$ 7,625.00
Less payments	= \$ 3,000.00
Balance Due NASD Dispute Resolution	= \$ 4,625.00

Respondent, Dougherty & Company, LLC, is liable for:

Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,450.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Jack D. Elmquist, Esq. - Public Arbitrator, Presiding Chair
Thomas J. Gmeinder, Esq. - Public Arbitrator
Karen L. Sandefur, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Jack D. Elmquist, Esq.
Jack D. Elmquist, Esq.
Public Arbitrator, Presiding Chair

April 28, 2006
Signature Date

/s/ Thomas J. Gmeinder, Esq.
Thomas J. Gmeinder, Esq.
Public Arbitrator

May 1, 2006
Signature Date

/s/ Karen L. Sandefur, Esq.
Karen L. Sandefur, Esq.
Non-Public Arbitrator

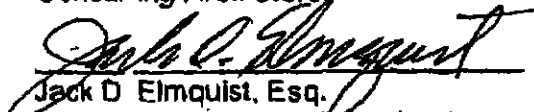
April 29, 2006
Signature Date

May 2, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Jack D. Elmquist, Esq. - Public Arbitrator, Presiding Chair
Thomas J. Gmeinder, Esq. - Public Arbitrator
Karen L. Sandefur, Esq. - Non-Public Arbitrator

Concurring Arbitrators:



Jack D. Elmquist, Esq.
Public Arbitrator, Presiding Chair

4/28/06

Signature Date

Thomas J. Gmeinder, Esq.
Public Arbitrator

Signature Date

Karen L. Sandefur, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

Signature Date



Thomas J. Gmeinder, Esq.
Public Arbitrator



Signature Date

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Non-Public Arbitrator

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Public Arbitrator

Signature Date



Karen L. Sandefur, Esq.
Non-Public Arbitrator

4/29/06

Signature Date

Date of Service (For NASD office use only)