

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Stifel, Nicolaus & Co., Inc.

Case Number: 06-01498

Names of the Respondents
Robert W. Baird & Co., Inc.
Bryce W. Rowe

Hearing Site: Richmond, Virginia

Nature of the Dispute: Member vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimant, Stifel, Nicolaus & Co., Inc. ("Stifel"), hereinafter referred to as "Claimant", was represented by Jeffrey J. Kalinowski, Esq., Blackwell Sanders Peper Martin, LLP, Kansas City, Missouri.

Respondents, Robert W. Baird & Co., Inc. ("Robert Baird") and Bryce W. Rowe ("Rowe"), hereinafter collectively referred to as "Respondents", were represented by Christopher J. Barber, Esq. and Gary W. Garner, Esq., Gardner Carton & Douglas, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on March 23, 2006.

A representative of Claimant executed the Uniform Submission Agreement on March 22, 2006.

Statement of Answer filed by Respondents on April 7, 2006.

A representative of Respondent Robert Baird executed the Uniform Submission Agreement on March 24, 2006.

Respondent Rowe signed the Uniform Submission Agreement on March 25, 2006.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of contract, unfair competition, tortious interference, and breach of fiduciary duty. The causes of action relate to an employment agreement entered into between Claimant and Respondent Rowe.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to mitigate damages, waiver, estoppel, failure to state a claim upon which relief may be granted, and Claimant's claims should be dismissed on the grounds that the employment agreement in whole or in part, is invalid and unenforceable.

RELIEF REQUESTED

Claimant requested permanent injunctive relief to enforce the covenants of the employment agreement, an unspecified amount of compensatory damages, costs and attorneys' fees.

Respondents requested that the Arbitration Panel (the "Panel") deny Claimant's request for permanent injunctive relief, dismiss with prejudice Claimant's claims in their entirety and award them costs, attorneys' fees and forum fees.

OTHER ISSUES CONSIDERED AND DECIDED

This case was filed with NASD Dispute Resolution seeking injunctive relief pursuant to NASD Code of Arbitration Procedure Rule 10335.

The parties 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, 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. The Panel finds the non-compete clause in Respondent Rowe's employment contract with Claimant to be enforceable, but not to the extent that Claimant requests. Based on the evidence presented, the Panel concludes that Claimant has not proven that Respondent Rowe has violated the contract's non-compete clause thus far. Nevertheless, because there is some uncertainty as to what activities consistent with the non-compete clause that Respondent Rowe might properly engage in prior to December 2, 2006, the Panel issues the following injunction:

- a. From the date of this Award until December 2, 2006, Respondent Rowe is enjoined from:
 - i. Publishing any research or communicating any research (in writing or orally) to Respondent Robert Baird or any of its employees or agents, any client of Respondent Robert Baird, or any person associated with any of the financial institutions on which Respondent Rowe conducted research while employed by Claimant;
 - ii. Contacting any employee of Respondent Robert Baird, except as set forth in paragraph (b) below;
 - iii. Contacting any client of Respondent Robert Baird or Claimant;
 - iv. Contacting the management of any of the financial institutions on which Respondent Rowe conducted research while employed by Claimant, as well as any companies with which Respondent Rowe conducted business while employed by Claimant;

- v. Soliciting any employee of Claimant for employment with Respondent Robert Baird;
 - vi. Accessing Respondent Robert Baird's computer system or obtaining any Robert Baird e-mail addresses;
- b. Respondent Rowe is not enjoined from:
- i. Accepting a salary and benefits from Respondent Robert Baird;
 - ii. Maintaining contact with Respondent Robert Baird on administrative matters not related to his area of expertise (e.g., Respondent Rowe may contact human resources regarding salary and benefits, take necessary steps to transfer his registrations to Respondent Robert Baird, and perform other such administrative tasks).
 - iii. Reviewing information and materials in his area of expertise in preparation for the expiration of the injunction;
 - iv. Preparing models and other materials in preparation for the expiration of the injunction.
- c. Respondent Robert Baird is enjoined from:
- i. Publicizing in any manner Respondent Rowe's employment with Respondent Robert Baird;
 - ii. Providing Respondent Rowe with access to Respondent Robert Baird's computer system or e-mail system;
 - iii. Receiving any research from Respondent Rowe.
- d. Respondents Robert Baird and Rowe are ordered to take all steps reasonably necessary to assure compliance with this injunctive order by themselves, their employees and their agents.
5. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
6. Any and all relief not specifically addressed herein is denied in its entirety.

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
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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, Claimant and Respondent Robert Baird are parties.

Stifel

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

Robert Baird

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.

1. Claimant is assessed:

Injunctive relief surcharge	= \$ 2,500.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Decision on discovery-related motions on the papers with (1) one arbitrator @ \$200.00	= \$ 200.00
Claimant submitted one discovery-related motion	

Two (2) Hearing session @ \$ 1,000.00	= \$ 2,000.00
Hearing Date: April 10, 2006 2 sessions	
Total Forum Fees	= \$ 2,200.00

1. The Panel has assessed \$1,100.00 of the forum fees to Claimant.
2. The Panel has assessed \$1,100.00 of the forum fees to Respondent Robert Baird.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,450.00

Injunctive Relief Fees	= \$ 2,500.00
Forum Fees	= \$ 1,100.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 1,550.00

2. Respondent Robert Baird is assessed and shall pay:

Member Fees	= \$ 4,450.00
Forum Fees	= \$ 1,100.00
Total Fees	= \$ 5,550.00
Less payments	= \$ 2,250.00
Balance Due NASD Dispute Resolution	= \$ 3,300.00

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


ARBITRATION PANEL

Christopher M. McMurray, Esq.	-	Public Arbitrator, Presiding Chairperson
Paul Greenberg, Esq.	-	Public Arbitrator, Panelist
Keith A. Green	-	Non-Public Arbitrator, Panelist

Arbitration No. 06-01498

Award Page 6

Concerning Arbitrators' Signatures


Christopher M. McMurray, Esq.
Public Arbitrator, Presiding Chairperson

4/13/06
Signature Date

Paul Greenberg, Esq.
Public Arbitrator, Panelist

Signature Date

Keith A. Green
Non-Public Arbitrator, Panelist

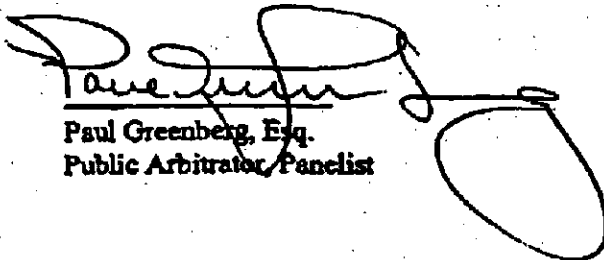
Signature Date

April 13, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Christopher M. McMurray, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Paul Greenberg, Esq.
Public Arbitrator, Panelist

April 12, 2006
Signature Date

Keith A. Green
Non-Public Arbitrator, Panelist

Signature Date

April 13, 2006
Date of Service (For NASD Dispute Resolution office use only)


Concurring Arbitrators' Signatures

Christopher M. McMurray, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Paul Greenberg, Esq.
Public Arbitrator, Panelist

Signature Date



Keith A. Green
Non-Public Arbitrator, Panelist

4/13/06

Signature Date

April 13, 2006
Date of Service (For NASD Dispute Resolution office use only)