

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

Gregory H. Herrman, (Claimant) vs. Jeffrey Jayson and Robert W. Baird & Co.  
(Respondents).

Case Number: 99-02515

Hearing Site: Dallas, Texas

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**REPRESENTATION OF PARTIES**

Claimant, Gregory H. Herrman ("Claimant"): William E. Owen, Esq., Herrman & Herrman, Corpus Christi, Texas.

Respondents, Jeffrey Jayson and Robert W. Baird & Co., Incorporated  
("Respondents"): Gregory G. Wille, Esq., Wille, Gregory & Lundeen, Milwaukee,  
WI.

**CASE INFORMATION**

Statement of Claim filed on or about: June 1, 1999. First Amended Statement  
of Claim filed on or about December 13, 1999. Claimant, Gregory H. Herrman,  
signed the Uniform Submission Agreement: May 26, 1999.

Statement of Joint Answer filed by Respondents, Jeffrey Jayson and Robert W.  
Baird & Co. Incorporated, on or about: August 19, 1999. Supplemental  
Response filed by Respondents Jeffrey Jayson and Robert W. Baird & Co.,  
Incorporated on or about December 28, 1999. Respondent, Jeffrey Jayson  
signed the Uniform Submission Agreement: August 11, 1999. Respondent,  
Robert W. Baird & Co., Incorporated signed the Uniform Submission  
Agreement: August 11, 1999.

**CASE SUMMARY**

Claimant Gregory H. Herrman asserted causes of action including the following  
churning, suitability, and breach of fiduciary duty. The causes of action relate to  
the purchases of securities for Claimant's account, by Jeffrey Jayson, Claimant's  
account executive.

Unless specifically admitted in its Answer, Respondents Jeffrey Jayson and Robert W. Baird & Co., Incorporated denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant maintained control over his account at all relevant time periods, any losses in Claimant's account were the direct and proximate result of his own investment choices and market conditions, Claimant is estopped from asserting his alleged claim on the ground that he was at all times fully aware of the identity, nature and volatility to his accounts, Claimant failed to mitigate his damages.

### RELIEF REQUESTED

Claimant Gregory H. Herrman requested:

Compensatory Damages	\$60,000.00
Punitive Damages	\$1,000,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents Jeffrey Jayson and Robert W. Baird & Co., Incorporated requested:

Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

### OTHER ISSUES CONSIDERED AND 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.

### AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Jeffrey Jayson and Robert W. Baird & Co., Incorporated are jointly and severally liable for and shall pay Claimant Gregory H. Herrman compensatory damages of \$8,174.32 (eight thousand one hundred seventy four dollars and thirty two cents) and
2. That any and all relief not specifically addressed herein, including punitive damages, is denied.

### FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees 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 firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party and the Respondent's firm.

Member surcharge = \$2,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$4,500.00

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 arbitrator(s), including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00  
Pre-hearing conference: January 11, 2000 1 session

Four (4) Hearing sessions x \$1,200.00 = \$4,800.00  
Hearing Dates: July 18, 2000 2 sessions  
July 19, 2000 2 sessions

Total Forum Fees = \$6,000.00

1. The Arbitration Panel has assessed \$6,000.00 of the forum fees solely to Respondent Robert W. Baird & Co., Incorporated.

Fee Summary

1. Claimant, Gregory H. Herrman, be and hereby is solely liable for:

Initial Filing Fee = \$500.00

Forum Fees = \$0

Administrative Costs = \$0

Total Fees = \$500.00

Less payments = \$1,700.00

Refund due Claimant = (\$1,200.00)

2. Respondent, Robert W. Baird & Co., Incorporated, be and hereby is solely liable for:

Member Fees	= \$7,600.00
Forum Fees	= \$6,000.00
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$13,600.00
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Regulation, Inc.	= \$10,500.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

/s/ Dennis H. Taylor

August 7, 2000

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Dennis H. Taylor, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

/s/ Roland D. Freeman

August 8, 2000

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Roland D. Freeman  
Public Arbitrator

\_\_\_\_\_  
Signature Date

/s/ William Regan

August 10, 2000

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William M. Regan  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

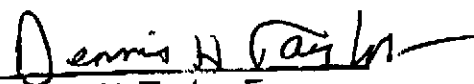
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2. Respondent, Robert W. Baird & Co., Incorporated, be and hereby is solely liable for:

Member Fees	= \$7,600.00
Forum Fees	= \$6,000.00
Administrative Costs	= \$0
Total Fees	= \$13,600.00
Less payments	= \$3,100.00
Balance Due NASD Regulation, Inc.	= \$10,500.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

  
Dennis H. Taylor, Esq.  
Public Arbitrator, Presiding Chair

8/7/00  
Signature/Date

\_\_\_\_\_  
Roland D. Freeman  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
William M. Regan  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

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All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Dennis H. Taylor, Esq.  
Public Arbitrator, Presiding Chair



Roland D. Freeman  
Public Arbitrator

William M. Regan  
Industry Arbitrator

Signature Date

8/8/00  
Signature Date

Signature Date

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Dennis H. Taylor, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

\_\_\_\_\_  
Roland D. Freeman  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
William M. Regan  
Industry Arbitrator

8-10-00  
Signature Date