

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimant
Gleacher & Company Securities, Inc.

Case Number: 13-00608

vs.

Respondents
Robert W. Baird & Co. Incorporated
Peter Wayne Brady
Mark Hager Bryant
John Collins Campbell, III
Nicholas J. Casesa
Mark Edward Colm
Douglas Dudley Coy
Alexander Haakon Diss
Edward Xavier Doyle
John C. Fleming
Andrew Lee Hain
Robert Andrew Haviland
Thomas John Lobue
William Mcgoldrick Mastoris
Jane Elizabeth Mikorenda
Richard Anthony Rossi
Marc Santodomingo
Jeffrey Daniel Sprengel
Matthew Warren Swope
Brian Thomas Taddeo
Michael Anthony Tama

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

For Claimant Gleacher & Company Securities, Inc.: David Hille, Esq., White & Case LLP, New York, New York.

For Respondents Robert W. Baird & Co. Incorporated, Peter Wayne Brady, Mark Hager Bryant, John Collins Campbell, III, Nicholas J. Casesa, Mark Edward Colm, Douglas Dudley Coy, Alexander Haakon Diss, Edward Xavier Doyle, John C. Fleming, Andrew Lee Hain, Robert Andrew Haviland, Thomas John Lobue, William Mcgoldrick Mastoris, Jane Elizabeth Mikorenda, Richard Anthony Rossi, Marc Santodomingo, Jeffrey Daniel Sprengel, Matthew Warren Swope, Brian Thomas Taddeo, and Michael Anthony Tama: Chris Barber, Esq. and Jonathan D. Miller, Esq., Williams Montgomery & John Ltd., Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: March 3, 2013.

Amended Statement of Claim filed on or about: May 17, 2013.

Answer to Counterclaim filed on or about: March 28, 2014.

Gleacher & Company Securities, Inc. signed the Submission Agreement: March 3, 2013.

Statement of Answer filed by Respondent Robert W. Baird & Co. Incorporated on or about: April 25, 2013.

Amended Statement of Answer to the Amended Statement of Claim filed by Respondents on or about: July 11, 2013.

Amended Statement of Answer filed by Respondents on or about January 28, 2014.

Counterclaim filed by Respondents Mark Bryant, Nicholas Casesa, Richard Rossi, Marc Santo Domingo, Jeffrey Sprengel, Michael Tama, Peter Wayne Brady, Brian Taddeo, John Fleming, Andrew Hain, Edward Doyle, William Mastoris, and Jane Mikorenda on or about: January 28, 2014.

Robert W. Baird & Co. Incorporated signed the Submission Agreement: April 24, 2013.

Peter Wayne Brady signed the Submission Agreement: July 9, 2013.

Mark Hager Bryant signed the Submission Agreement: July 9, 2013.

John Collins Campbell, III signed the Submission Agreement: July 9, 2013.

Nicholas J. Casesa signed the Submission Agreement: July 9, 2013.

Mark Edward Colm signed the Submission Agreement: July 9, 2013.

Douglas Dudley Coy signed the Submission Agreement: July 9, 2013.

Alexander Haakon Diss signed the Submission Agreement: July 9, 2013.

Edward Xavier Doyle signed the Submission Agreement: July 9, 2013.

John C. Fleming signed the Submission Agreement: July 9, 2013.

Andrew Lee Hain signed the Submission Agreement: July 9, 2013.

Robert Andrew Haviland signed the Submission Agreement: July 9, 2013.

Thomas John Lobue signed the Submission Agreement: July 8, 2013.

William McGoldrick Mastoris signed the Submission Agreement: July 9, 2013.

Jane Elizabeth Mikorenda signed the Submission Agreement: July 9, 2013.

Richard Anthony Rossi signed the Submission Agreement: July 9, 2013.

Marc Santodomingo signed the Submission Agreement: July 9, 2013.

Jeffrey Daniel Sprengel signed the Submission Agreement: July 9, 2013.

Matthew Warren Swope signed the Submission Agreement: July 12, 2013.

Brian Thomas Taddeo signed the Submission Agreement: July 11, 2013.

Michael Anthony Tama signed the Submission Agreement: July 10, 2013.

CASE SUMMARY

In its Statement of Claim, Claimant asserted the following causes of action: unfair competition, aiding and abetting breach of fiduciary duty, conspiracy, tortious interference with contractual relations, tortious interference with prospective economic advantage, and violation of FINRA rules of conduct.

Unless specifically admitted in its Answer, Respondent Robert W. Baird & Co. Incorporated denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In its Amended Statement of Claim, Claimant asserted the following causes of action: breach of contract, breach of covenant of good faith and fair dealing, unfair competition, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, conspiracy, tortious interference with contractual relations, tortious interference with prospective economic advantage, misappropriation of confidential information, conversion, and violation of FINRA rules of conduct.

Unless specifically admitted in their Amended Statement of Answer, Respondents denied the allegations made in the Amended Statement of Claim and asserted various affirmative defenses.

In their Counterclaim, Respondents Mark Bryant, Nicholas Casesa, Richard Rossi, Marc Santo Domingo, Jeffrey Sprengel, Michael Tama, Peter Wayne Brady, Brian Taddeo, John Fleming, Andrew Hain, Edward Doyle, William Mastoris, and Jane Mikorenda asserted the following causes of action: breach of contract and breach of implied duty of good faith and fair dealing.

Unless specifically admitted in its Answer, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim and Amended Statement of Claim, Claimant requested unspecified damages to be determined at the hearing, punitive damages, costs and disbursements, attorneys' fees, specific performance ordering the immediate return of Claimant's confidential or proprietary information taken by the former employees and/or provided to or in the possession of Respondent Robert W. Baird & Co. Incorporated, and such other and further relief as the Panel may deem just and proper.

In its Answer to Claimant's Statement of Claim, Respondent Robert W. Baird & Co. Incorporated requested denial of Claimant's claim, reasonable costs, and attorneys' fees.

In their Answer to Claimant's Amended Statement of Claim, Respondents requested denial of Claimant's claim, reasonable costs, and attorneys' fees.

In their Counterclaim, Respondents Mark Bryant, Nicholas Casesa, Richard Rossi, Marc Santo Domingo, Jeffrey Sprengel, Michael Tama, Peter Wayne Brady, Brian Taddeo, John Fleming, Andrew Hain, Edward Doyle, William Mastoris, and Jane Mikorenda requested unspecified compensatory damages and such other and further relief as the Panel may deem just and proper.

In its Answer to the Counterclaim, Claimant requested dismissal of the Counterclaims and such other and further relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

At the conclusion of Claimant's case-in-chief, Claimant moved to dismiss Respondents Peter Wayne Brady, Mark Hager Bryant, John Collins Campbell, III, Alexander Haakon Diss, Edward Xavier Doyle, John C. Fleming, Andrew Lee Hain, Robert Andrew Haviland, Thomas John Lobue, Richard Anthony Rossi, Marc Santodomingo, William Mastoris, Jane Mikorenda, Jeffrey Daniel Sprengel, and Michael Anthony Tama. After due deliberation, the Panel granted the motion to dismiss with prejudice upon consent of all parties.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Robert W. Baird & Co. Incorporated is liable for and shall pay to Claimant compensatory damages in the amount of \$13,000,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.
2. Respondent Nicholas J. Casesa is liable for and shall pay to Claimant compensatory damages in the amount of \$50,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.
3. Respondent Mark Edward Colm is liable for and shall pay to Claimant compensatory damages in the amount of \$50,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.
4. Respondent Douglas Dudley Coy is liable for and shall pay to Claimant compensatory damages in the amount of \$50,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.

5. Respondent Matthew Warren Swope is liable for and shall pay to Claimant compensatory damages in the amount of \$50,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.
6. Respondent Brian Thomas Taddeo is liable for and shall pay to Claimant compensatory damages in the amount of \$50,000.00 plus interest at the rate of 9% per annum from the date of the award until the award is paid in full.
7. Respondent Roger W. Baird & Co. liable for and shall pay to Claimant attorneys' fees and consulting fees in the amount of \$4,580,486.00. The Panel granted attorneys' fees and consulting fees on the basis of the mutual request of the parties and FINRA Rules.
8. The Counterclaim of Respondents Mark Bryant, Nicholas Casesa, Richard Rossi, Marc Santo Domingo, Jeffrey Sprengel, Michael Tama, Peter Brian Taddeo, John Fleming, Andrew Hain, Edward Doyle, William Mastoris, and Jane Mikorenda is denied.
9. 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

FINRA Dispute Resolution assessed a filing fee* for each claim:

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| Initial Claim Filing Fee | = \$ 1,500.00 |
| Counterclaim Filing Fee | = \$ 1,250.00 |

**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, as parties, Gleacher & Company Securities, Inc. and Robert W. Baird & Co. Incorporated are each assessed the following:

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| Member Surcharge | = \$ 1,500.00 |
| Pre-Hearing Processing Fee | = \$ 750.00 |
| Hearing Processing Fee | = \$ 2,200.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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| August 18-22, 2014, October 20-24 and November 3-7, 2014 adjournment by the parties | = \$ 1,000.00 |
| September 9-12 and 15-19, 2014 adjournment by Respondents | = \$ 1,000.00 |
| Total Adjournment Fees | = \$ 2,000.00 |

1. The Panel has assessed the \$3,000.00 adjournment fees to Respondent Robert W. Baird & Co. Incorporated.

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

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| Six (6) Decisions on discovery-related motions on the papers with one (1) arbitrator @ \$200.00 | = \$ 1,200.00 |
| Claimant submitted (1) discovery-related motions | |
| Respondent submitted (5) discovery-related motions | |

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| Two (2) Decisions on discovery-related motions on the papers with three (3) arbitrators @ \$600.00 | = \$ 1,200.00 |
| Respondent Submitted (2) discovery-related motions | |
| Total Discovery-Related Motion Fees | = \$ 2,400.00 |

1. The Panel has assessed the \$2,400.00 discovery-related motion fees to Respondent Robert W. Baird & Co. Incorporated.

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

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| One (1) Decision on a contested motion for the issuance of a subpoena with two (2) arbitrators @ \$200.00 | = \$ 400.00 |
| Total Contested Motion for Issuance of Subpoenas Fees | = \$ 400.00 |

1. The Panel has assessed the \$400.00 Contested Motion for Issuance of Subpoenas Fees to Respondent Robert W. Baird & Co. Incorporated.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A 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:

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| One (1) Pre-hearing session with a single arbitrator @ \$450.00/session | = \$ | 450.00 |
| Pre-hearing conference: April 30, 2014 | 1 session | |

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| Four (4) Pre-hearing sessions with the Panel @ \$1,000.00/session | = \$ | 4,000.00 |
| Pre-hearing conferences: September 24, 2013 | 1 session | |
| March 4, 2014 | 1 session | |
| September 23, 2014 | 1 session | |
| October 27, 2014 | 1 session | |

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| Thirty-five (35) Hearing sessions @ \$1,000.00/session | = \$ | 35,000.00 |
| Hearing Dates: December 8, 2014 | 2 sessions | |
| December 9, 2014 | 2 sessions | |
| December 10, 2014 | 2 sessions | |
| December 11, 2014 | 2 sessions | |
| December 12, 2014 | 2 sessions | |
| January 7, 2015 | 2 sessions | |
| January 8, 2015 | 2 sessions | |
| January 9, 2015 | 2 sessions | |
| February 9, 2015 | 2 sessions | |
| February 10, 2015 | 2 sessions | |
| February 11, 2015 | 2 sessions | |
| February 12, 2015 | 2 sessions | |
| March 9, 2015 | 2 sessions | |
| March 10, 2015 | 2 sessions | |
| May 12, 2015 | 2 sessions | |
| May 13, 2015 | 2 sessions | |
| May 14, 2015 | 1 session | |
| May 15, 2015 | 2 sessions | |

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| Total Hearing Session Fees | = \$ | 39,450.00 |
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1. The Panel has assessed the \$39,450.00 hearing session fees to Respondent Robert W. Baird & Co. Incorporated.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.


ARBITRATION PANEL

John Daly
Hugh N. Fryer
Rebecca Ann Berlow

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



John Daly
Public Arbitrator, Presiding Chairperson

June 12, 2015

Signature Date

Hugh N. Fryer
Public Arbitrator

Signature Date

Rebecca Ann Berlow
Non-Public Arbitrator

Signature Date

June 16, 2015

Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

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| John Daly | - | Public Arbitrator, Presiding Chairperson |
| Hugh N. Fryer | - | Public Arbitrator |
| Rebecca Ann Berlow | - | Non-Public Arbitrator |

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John Daly
Public Arbitrator, Presiding Chairperson

Signature Date



Hugh N. Fryer
Public Arbitrator



Signature Date

Rebecca Ann Berlow
Non-Public Arbitrator

Signature Date

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Signature Date

Hugh N. Fryer
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Signature Date

Rebecca Berlow

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Non-Public Arbitrator

Signature Date

June 16, 2015

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