

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimant/ Counter-Respondent
A.G. Edwards & Sons, Inc.

Case Number: 07-02954

Respondents
Michael Chris Nielsen
Lisa A. Evans
Herbert C. Keyser, III
Donald L. Johns
Christopher S. Drake
Stifel, Nicolaus & Company, Inc.

Hearing Site: San Francisco, California

Counterclaimant/ Third Party Claimant
Michael Chris Nielsen

Third Party Respondents
Gene Michael Diedrich
Wachovia Securities, LLC

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

REPRESENTATION OF PARTIES

Claimant and Counter-Respondent, A.G. Edwards & Sons, Inc., hereinafter referred to as "Claimant" or "A.G. Edwards": Jack Ballard, Esq., Ballard & Littlefield LLP, Houston, Texas.

Respondents, Michael Chris Nielsen ("Nielsen"), Lisa A. Evans ("Evans"), Herbert C. Keyser, III ("Keyser"), Donald L. Johns ("Johns"), and Christopher S. Drake ("Drake"): Kenneth C. Mennemeier, Esq., Mennemeier, Glassman & Stroud LLP, Auburn, California.

Respondent, Stifel, Nicolaus & Company, Inc. ("Stifel"): Andrew J. Shapren, Esq., Buchanan Ingersoll & Rooney PC, Philadelphia, Pennsylvania.

Third Party Respondents, Gene Michael Diedrich and Wachovia Securities, LLC, hereinafter collectively referred to as "Third Party Respondents": Kristina L. Cashion, Esq. and Jack Ballard, Esq., Ballard & Littlefield LLP, Houston, Texas.

CASE INFORMATION

Statement of Claim filed: October 18, 2007.

Claimant signed the Submission Agreement: October 16, 2007.

Statement of Answer, Counterclaim and Third Party Claim filed by Respondent Nielsen: December 18, 2007.

Respondent Nielsen signed the Submission Agreement: December 7, 2007.

Statement of Answer filed by Respondent Stifel: December 14, 2007.

Respondent Stifel signed the Submission Agreement: April 7, 2008.

Statement of Answer to Counterclaim and Third Party Claim filed by Claimant and Third Party Respondents: January 22, 2008.

Respondents Evans, Keyser, Johns, and Drake did not file a Statement of Answer or a signed Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: 1) Breach of Contract; 2) Misappropriation of Trade Secrets; 3) Breach of Fiduciary Duty; 4) Breach of Duty of Loyalty; 5) Inducing Breach of Contract; 6) Intentional Interference with Actual and Prospective Economic Advantages; 7) Negligent Interference with Actual and Prospective Economic Advantages; 8) Conversion; and 9) Raiding/Unfair Competition. The causes of action relate to the resignation from employment with Claimant by Respondents Nielsen, Evans, Keyser, Johns and Drake, and their subsequent commencement of employment with Respondent Stifel.

In their separate Statements of Answer, Respondents Nielsen and Stifel denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In his Counterclaim against Claimants and Third Party Claim against Third Party Respondents, Respondent Nielsen asserted the following cause of action: Defamation.

In their Answer to the Counterclaim and Third Party Claim, Claimant and Third Party Respondents denied the allegations made in the Counterclaim and Third Party Claim, and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. A permanent injunction enjoining and restraining Respondents from certain named activities;
2. That Respondents return to Claimant or its counsel all records, documents and/or information pertaining to Claimant's customers, employees and business, and purge all documents and information derived from the possession, custody and control of Respondents and Stifel;
3. Compensatory damages;
4. Punitive damages and exemplary damages; and
5. Such other and further relief as the Panel deems just and proper.

In his Answer to the Statement of Claim, Respondent Nielsen requested that the Panel deny and dismiss each of Claimant's claims, and through his Counterclaim and Third Party Claim, he requested:

1. Compensatory damages;
2. Punitive damages against Claimant and Third Party Respondents;
3. Fees and costs incurred in connection with responding to Claimant's claims in both court and in this proceeding;
4. Assessment of all FINRA forum fees to Claimant; and
5. Other relief as the Panel deems just and proper.

In its Answer to the Statement of Claim, Respondent Stifel requested that the Panel:

1. Deny Claimant's requests for relief in its entirety; and
2. Award Stifel its attorneys' fees and costs incurred in defending itself from Claimant's claims.

In the Answer to the Counterclaim and Third Party Claim, Claimant and Third Party Respondents requested that the Counterclaim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

On November 5, 2007, Claimant dismissed all claims against Respondents Drake, Johns, Keyser and Evans without prejudice.

AWARD

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

1. A.G. Edwards's claims are denied in their entirety with prejudice.
2. Respondent Nielsen's Counterclaim and Third Party Claim is denied in its entirety with prejudice.
3. Claimant is liable to and shall pay Respondent Nielsen attorneys' fees and costs in the amount of \$282,143.57. This award of attorneys' fees is based on statute and contract.
4. Claimant is liable to and shall pay Respondent Stifel attorneys' fees and costs of \$632,748.14. This award of attorneys' fees is based on statute.
5. The Panel also relied on case authority to not apportion attorney's fees.
6. Any and all relief not specifically addressed herein, including punitive damages, is denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,500.00
Counterclaim/Third Party Claim 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, A.G. Edwards & Sons, Inc., Stifel, Nicolaus & Co., Inc. and Wachovia Securities, LLC are assessed the following:

A.G. Edwards & Sons, Inc.,	
Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00
Stifel, Nicolaus & Co., Inc.	
Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00
Wachovia Securities, LLC	
Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

March 10-13, 2009 adjournment requested jointly by the parties = \$1,000.00

1. The Panel assessed \$500.00 of the adjournment fees to the Claimant.
2. The Panel assessed \$500.00 of the adjournment fees to Respondents Nielsen and Stifel jointly and severally.

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 A.G. Edwards is assessed:
Injunctive relief surcharge = \$2,500.00

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

Five (5) Pre-hearing sessions with a single arbitrator @ \$450.00/session = \$2,250.00

Pre-hearing conferences: February 13, 2009 1 session
March 3, 2009 1 session
March 24, 2009 1 session
August 10, 2009 1 session
January 7, 2010 1 session

Three (3) Pre-hearing sessions with Panel @ \$1,000.00/session = \$3,000.00

Pre-hearing conferences: May 6, 2008 1 session
June 23, 2008 1 session
January 6, 2010 1 session

Twenty-eight (28) Hearing sessions @ \$1,000.00/session = \$28,000.00

Hearing Dates: January 12, 2010 2 sessions
January 13, 2010 2 sessions
January 14, 2010 2 sessions
January 15, 2010 2 sessions
January 26, 2010 2 sessions
January 27, 2010 2 sessions
January 28, 2010 2 sessions
January 29, 2010 2 sessions
February 17, 2010 1 session
March 17, 2010 2 sessions
March 18, 2010 2 sessions
March 19, 2010 2 sessions
March 22, 2010 2 sessions
March 23, 2010 1 session
March 24, 2010 2 sessions

Total Hearing Session Fees = \$33,250.00

The Panel has assessed \$33,250.00 of the hearing session fees to Claimant.

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

ARBITRATION PANEL

Helen Marinak Blohm - Public Arbitrator, Presiding Chairperson
M. Scott Donahey - Public Arbitrator
Mark R. Palmer - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Helen M. Blohm
Helen Marinak Blohm
Public Arbitrator, Presiding Chairperson

5/3/10
Signature Date

M. Scott Donahey
Public Arbitrator

Signature Date

Mark R. Palmer
Non-Public Arbitrator

Signature Date

5/7/10

Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

Helen Marinak Blohm	-	Public Arbitrator, Presiding Chairperson
M. Scott Donahey	-	Public Arbitrator
Mark R. Palmer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Helen Marinak Blohm
Public Arbitrator, Presiding Chairperson

Signature Date



M. Scott Donahey
Public Arbitrator

4 MAY 2010
Signature Date

Mark R. Palmer
Non-Public Arbitrator

Signature Date

5/7/10
Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

Helen Marinak Blohm - Public Arbitrator, Presiding Chairperson
M. Scott Donahey - Public Arbitrator
Mark R. Palmer - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Helen Marinak Blohm
Public Arbitrator, Presiding Chairperson

Signature Date

M. Scott Donahey
Public Arbitrator

Signature Date



Mark R. Palmer
Non-Public Arbitrator

5-3-10
Signature Date

5/7/10
Date of Service (For FINRA Dispute Resolution use only)