

United States District Court
District of Massachusetts

_____)	
Bear, Stearns & Co. Inc.,)	
Plaintiff,)	
)	
v.)	Civil Action No.
)	08-10505-NMG
Douglas A. Sharon,)	
Defendant.)	
_____)	

MEMORANDUM AND ORDER

GORTON, J.

The plaintiff, Bear, Stearns & Co. Inc. ("Bear Stearns") alleges that the defendant, Douglas A. Sharon ("Sharon") has violated the terms of his employment agreement and misappropriated Bear Stearns's confidential information. It moves for a temporary restraining order pending arbitration proceedings to adjudicate the merits of their dispute. Because Bear Stearns has demonstrated 1) that it is likely to succeed on the merits, 2) that in the absence of such relief it will suffer irreparable harm, 3) that the balance of the hardships is in its favor and 4) that the temporary restraining order is not offensive to public policy, its motion will be allowed.

TEMPORARY RESTRAINING ORDER

In accordance with the foregoing, the plaintiff's motion for a temporary restraining order (Docket No. 3) is **ALLOWED**.

It is hereby accordingly ORDERED, ADJUDGED and DECREED that:

1. During the pendency of this Temporary Restraining Order, the Defendant, and any person or persons acting on behalf of or in concert with him, are hereby restrained and enjoined from:
 - a. employment by any other employer, including without limitation Morgan Stanley & Co., Inc., provided, however, that he shall continue to be paid his base salary by Bear Stearns during the pendency of this Order;
 - b. soliciting, contacting or communicating with any client whom Defendant served while he was employed at Bear Stearns for the purpose of inviting, encouraging, persuading or requesting such client to do business with Defendant at Morgan Stanley or to discontinue or diminish any business relationship with Bear Stearns;
 - c. soliciting or inducing for hire or hiring any employee of Bear Stearns to leave the employ of Bear Stearns and to join Morgan Stanley, or taking any action to assist Morgan Stanley in doing the same; and
 - d. directly or indirectly using, disclosing or transmitting for any purpose the documents, materials and/or information of Bear Stearns pertaining to its clients.
2. Defendant, and any person or persons acting on behalf of or in concert with him, shall, forthwith, return to Bear Stearns (through its attorneys) all documents, material and/or information of Bear Stearns in defendant's possession in whatever form (whether original, copied, computerized, electronic or handwritten) pertaining to Bear Stearns, its clients and employees, and purge from the possession, custody and control of the Defendant and any person or entity to whom the Defendant has given control of or access to such documents, material and/or information, provided, however, that any information so purged shall be first printed and returned to Bear Stearns pursuant to this Order.
3. The parties are granted leave to conduct expedited discovery with respect to issues relevant to the pending motion for a preliminary injunction.

4. This Order is entered without prejudice to the proceedings, claims or defenses that have been or may be subject to the arbitration between the parties pending before the Financial Industries Regulatory Authority Dispute Resolution Board.

This Order becomes effective upon plaintiff's filing with the Clerk of this Court of a surety bond in the amount of \$50,000. The temporary restraining order shall remain in full force and effect until the hearing on plaintiff's motion for a Preliminary Injunction on Thursday, April 3, 2008, at 11:00 a.m., at which time the defendant shall show cause why this Order should not be converted into a Preliminary Injunction until a duly appointed panel of FINRA arbitrators decides Bear Stearns's claim for permanent injunctive relief.

So ordered.

/s/Nathaniel M. Gorton
Nathaniel M. Gorton
United States District Judge

Dated March 27, 2008