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July 11, 2014

Robert E. Sokohl, Esq.
Sterne, Kessler, Goldstein & Fox
1100 New York Avenue, NW
Washington, DC 20005

Re: *TD Ameritrade Holding Corp. v. Trading Technologies International, Inc.* (CBM2014-00131), *et al.*

Dear Mr. Sokohl:

In response to your letter dated July 9, 2014, it seems that some of the issues have now been narrowed. We believe that further clarifications set forth below should cause TD Ameritrade to reconsider and forgo seeking leave to file a motion to disqualify.

You and I seem to agree that TD Ameritrade is a former client; that Finnegan's current representation of Trading Technologies in the above-referenced matters is not substantially related to Finnegan's prior representation of TD Ameritrade; and, accordingly, that the representation is not prohibited by ABA Model Rule 1.9 (lawyer may accept matter adverse to former client if new matter not substantially related to lawyer's prior work for client). And you did not contest that, under Rule 1.9, there is no "waiting period" after a law firm's representation of a client ends before the firm may accept matters adverse to the former client in compliance with Rule 1.9.

That leaves in dispute only the question of whether Finnegan accepted Trading Technologies as a client while TD Ameritrade was still a current client of Finnegan's. Here again, your letter indicates that the issues have narrowed. You do not dispute that, at that time Finnegan formally notified TD Ameritrade of disengagement:

- All substantive work in the SNAPTICKET matter had been completed;
- The PTO had published the application for opposition and the period for opposition had concluded without either an opposition or extension having been filed; and
- As the SNAPTICKET application was filed based upon use, and the specimens of use had already been accepted by the PTO during the examination process, no further

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substantive work by Finnegan was required or appropriate post publication. The PTO would issue the registration in due course, which it in fact did.

Rather than disputing that all substantive work on the SNAPTICKET matter had concluded no later than when the opposition period ended on May 15, 2014, you contend that "the attorney-client *relationship* was a continuing one." (Emphasis added.) But, under the terms of the engagement agreement, the relationship ended when substantive work was completed. The relationship could not continue, as the agreement defined it, absent continuing substantive work. You also point to the engagement agreement's statement that registration of a mark is an *example* of when a matter might be substantially complete, but it is only that—an example. That example does not change the test stated in the agreement, namely that work is done when substantive work is complete. In any event, there is no dispute that Finnegan's disengagement on May 28, 2014, brought the relationship to a close.

Your July 9 letter asserts for the first time that Finnegan's work on a take-down request regarding the website apexwinecellars.biz was not complete before Trading Technologies engaged Finnegan. As confirmed by the e-mail correspondence with your client, Finnegan completed its work on the take-down notice by March 2014. By March 28, the website that was the source of concern was no longer operational because the domain name was not renewed, as Finnegan notified the client in March and confirmed on June 4. No substantive work was done through June 5 as you argue; instead, it was completed—and successfully, too—several months earlier in March 2014.

The analysis above shows that TD Ameritrade's proposed motion to disqualify would not be well taken, but there is also at least one other independent reason that your proposed motion would lack merit. TD Ameritrade agreed that Finnegan could accept unrelated matters adverse to TD Ameritrade even while TD Ameritrade remained a current client. You vaguely point to supposed law in 1999 (unspecified by you) to suggest erroneously that the advance waiver given by TD Ameritrade would not be enforceable, but you do not dispute that under current law it is enforceable. We disagree that billing guidelines TD Ameritrade sent to Finnegan could change the agreed-upon waiver. In addition, the billing guidelines do not include disqualification among its stated purposes, which is another thing your letter does not refute.

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For all of these reasons, Finnegan respectfully declines to withdraw from representing Trading Technologies.

Sincerely,

Sean M. SeLegue

Sean M. SeLegue

cc: Erika Arner, Esq.
Philip Sunshine, Esq.

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July 9, 2014

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Via Email
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Re: TD Ameritrade Holding Corp. v. Trading Technologies International, Inc. (CBM2014-00131) *et al.*

Dear Mr. SeLegue:

I write in response to your letter of July 7, 2014. While we appreciate your attention to this matter, it appears that you may have misinformation regarding the nature and status of the relationship between Finnegan and TD Ameritrade, and/or may not be aware of some facts that we believe are determinative in this matter.

Most importantly, numerous facts belie the assertion that TD Ameritrade was a former client of Finnegan when Finnegan embarked on the new engagement with Trading Technologies. In 1999, Finnegan was engaged as trademark counsel to TD Ameritrade. Since that time, the representation was expanded to include, for example, representation of TD Ameritrade in litigation, in UDRP disputes, and with various take-down campaigns. But for the last 15 years, TD Ameritrade and Finnegan maintained a continuous attorney-client relationship, despite the ebb and flow of legal work assignments that naturally happens over the course of any long term engagement.

In the year leading up to Finnegan's sudden announcement that it had decided to withdraw as counsel to TD Ameritrade, TD Ameritrade had regularly contacted Finnegan with new business. At the time of Finnegan's announcement, there were at least two matters still pending: the SNAPTICKET[1] trademark application; and a take-down request regarding the website apexwinecellars.biz. I assume that you were not aware of the pending take-down matter because it was not mentioned in your letter; that matter was not closed out until June 5 at the earliest.

With respect to the SNAPTICKET trademark application, the plain language of Section 5 of the Engagement Agreement between Finnegan and TD Ameritrade controls when determining

[1] Please note that your letter incorrectly refers to this mark as SNAPTRADE.

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when such a matter is considered "substantially complete": "For example, when a patent or trademark registration issues, we have substantially completed our substantive work on that matter and will end our representation even though we may docket the payment of future government fees for that patent or trademark." As you state in your letter, it appears that the SNAPTICKET trademark registration did not issue until July 1.

Thus, Finnegan's work for TD Ameritrade was not "substantially complete" on May 15, 2014, as asserted in your letter. Nothing over the 15 year engagement would have given TD Ameritrade any reason to believe that its relationship with Finnegan had terminated as of the close of the opposition period to the SNAPTICKET trademark application. Rather, at the time Finnegan embarked on its representation of Trading Technologies, the attorney-client relationship between Finnegan and TD Ameritrade was a continuing one, making the adverse representation prima facie improper.

Your assertion that TD Ameritrade had "authorized Finnegan to take on matters adverse to TD Ameritrade so long as those matters were not substantially related to Finnegan's work for TD Ameritrade" – through the advance waiver provision[2] in the Engagement Agreement – similarly appears to miss important facts. Significantly, TD Ameritrade clearly indicated at the time of engagement that Finnegan's representation would be "Subject to the terms of a Law Firm Retention and Billing Policy to be agreed upon between the parties." Finnegan was obviously aware of this restriction when it entered into the representation in 1999, considering it was written on the face of the Engagement Agreement itself.

As well, the referenced Law Firm Retention and Billing Policy (the "Policy") is more than merely "some billing guidelines," as you suggest; rather, it is a comprehensive set of policies, procedures and guidelines governing all legal representation of TD Ameritrade, including *inter alia* TD Ameritrade's requirements regarding matter staffing and management, budget estimates, confidentiality, and auditing rights, in addition to specific billing instructions. Of particular importance to this matter is provision IV.D regarding Conflicts of Interest (reproduced below for your convenience):

> You agree to advise the Legal Department at the earliest opportunity of any relationships your firm has with other clients which could pose a conflict of interest – whether for a matter for which you are presently engaged or for other work which your firm could be asked to perform for TD Ameritrade in the future. We intend that you consider the potential for conflicts of interest broadly, and do not intend that you limit your consideration of this issue to the technical provisions of applicable Codes of Professional Responsibility. By agreeing to represent TD Ameritrade, you agree you will not hereafter accept representation of a client in a matter directly adverse to TD Ameritrade without the express consent of TD Ameritrade, irrespective of whether such representation would technically be prohibited under applicable Codes of Professional Responsibility.

[2] We doubt that such a generalized advance waiver provision to future conflicts of interest was even valid and enforceable at the time the Engagement Agreement was signed.

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