

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant / Counter-Respondent

Jeffrey M. Sullivan

and

Case Number: 02-05603  
Hearing Site: Houston, Texas

Name of Respondent / Counter-Claimant

Oxford Financial Group

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Name of Third Party Claimant

Oxford Financial Group

and

Names of Third Party Respondents

Sun Life of Canada (U.S.) Distributors, Inc.  
Sun Life Assurance Company of Canada

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**NATURE OF DISPUTE**

Associated Person v. Member Firm  
Member Firm v. Associated Person  
Member Firm v. Member Firm and Non-Member

**REPRESENTATION OF PARTIES**

Jeffrey M. Sullivan ("**Claimant**") was represented by John E. Chapoton, Esq., of Cunningham, Darlow, Zook & Chapoton, LLP, of Houston, Texas

Oxford Financial Group ("**Oxford Financial**") was represented by Sean Greenwood, Esq., of Heard Robins, Cloud, Lubel & Greenwood, of Houston, Texas.

Sun Life of Canada (U.S.) Distributors, Inc. ("**Sun Life Distributors**") was represented by Michael G. Brown, Esq., of Figari, Davenport & Graves, of Dallas, Texas.

Sun Life Assurance Company of Canada ("**Sun Life Assurance**") did not appear.

### **CASE INFORMATION**

The Statement of Claim was filed on or about September 20, 2002. The Submission Agreement of Claimant Jeffrey M. Sullivan was signed on or about September 27, 2002.

The First Amended Statement of Claim was filed by Jeffrey M. Sullivan on or about November 6, 2003.

Statement of Answer and Counter Claim against Jeffrey M. Sullivan was filed by Respondent Oxford Financial on or about December 5, 2003. The Submission Agreement of Respondent Oxford Financial was signed on or about December 15, 2003.

Third Party Claim against Sun Life Assurance was filed by Respondent Oxford Financial on or about December 5, 2003.

The Answer to the Counter Claim was filed by Jeffrey M. Sullivan on or about January 29, 2003.

First Amended Answer and First Amended Counter Claim against Jeffrey M. Sullivan was filed on or about March 7, 2003.

First Amended Third Party Claim against Sun Life Assurance and Sun Life Distributors was filed on or about March 7, 2003.

Third Party Respondent Sun Life Distributors' Motion to Dismiss and Motion to Sanction, or in the Alternative, Answer to Respondent Oxford Financial's First Amended Third Party Claim was filed on or about July 2, 2003.

Third Party Respondent Sun Life Assurance did not file a Statement of Answer or a Submission Agreement.

### **CASE SUMMARY**

Claimant asserted the following causes of action: breach of employment contract. The cause of action related to Claimant's allegation that Oxford Financial breached its contractual obligation to provide salary, bonuses, stock and benefits, including 100,000 shares of Oxford Representative Group, Inc. stock that Claimant alleged vested upon acceptance of employment with Oxford Financial.

Unless specifically admitted in its Answer, Respondent Oxford Financial denied the allegations made in the Statement of Claim and asserted affirmative defenses including the

following: Claimant was properly terminated by Oxford Financial for violations of policies and procedures, regulatory and statutory law; Oxford Financial acted in a commercially reasonable manner in terminating Claimant's employment; Claimant's claims are meritless, both factually and legally, and were brought for harassment purposes, without legal justification and in bad faith.

Respondent Oxford Financial asserted the following cases of action in its Counter Claim: breach of contract, breach of fiduciary duty, and contribution. The causes of action related to Counter Claimant's allegation that Jeffrey M. Sullivan

Unless specifically admitted in his Answer, Counter Respondent, Jeffrey M. Sullivan, denied the allegations made in the Counter Claim and asserted various affirmative defenses including the following: denied Oxford Financial's claims for breach of contract, breach of fiduciary duty, and contribution; Sullivan alleged that the Counter Claim is both factually and legally meritless and were asserted without reasonable diligence, and are brought for the purposes of harassment.

Third Party Claimant, Oxford Financial, asserted the following cases of action in its Third Party Claim: contribution/negligence, gross negligence and breach of contract against Sun Life Distributors resulting from the sale of a Sun Life Assurance Company of Canada annuity to Diane Alexander and/or Sun Life Assurance's failure to properly supervise Sullivan.

Third Party Respondent, Sun Life Distributors, filed its verified Motion to Dismiss and Motion to Sanction Oxford Financial's filing of the above-referenced third-party claims. Specifically, Sun Life Distributors claimed through a sworn statement of James M. Lemkin, Registered Limited Securities Principal of Sun Life Distributors, that it has and had no contractual or other relationship with either Oxford Financial or Sullivan. In addition, Sun Life Distributors claimed that it had no substantive dealings with either Oxford Financial or Sullivan that related in any way to the general claims asserted between Oxford Financial and Sullivan in this arbitration proceeding.

### **RELIEF REQUESTED**

Claimant, Jeffrey M. Sullivan, requested an award in the amount of:

Actual/Compensatory	\$275,000
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Oxford Financial requested that the claims asserted against it be denied in their entirety. Oxford Financial requested that it be awarded its costs and attorneys' fees in its counter claim. Oxford Financial requested unspecified damages in its third-party claim.

Counter-Respondent, Jeffrey M. Sullivan, requested that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

Third Party Respondent, Sun Life Distributors, requested that the claims asserted against it be denied in their entirety and it be awarded its costs and attorneys' fees of \$4,841.

### **OTHER ISSUES CONSIDERED & DECIDED**

Sun Life Assurance did not appear in this matter. Oxford Financial did not submit a contract to arbitrate in this forum with Sun Life Assurance. Sun Life Assurance is not a NASD member firm, nor did Sun Life Assurance voluntarily submit to arbitration. As such, Sun Life Assurance is not subject to NASD jurisdiction pursuant to the NASD Code of Arbitration Procedure, and the Panel did not adjudicate any issues regarding this entity.

On August 22, 2003, the Panel entered its Order granting Sun Life Distributors' Motion to Dismiss. The Panel ordered that Sun Life Distributors' Motion to Sanction would be held in abeyance until final hearing, or at such other time as determined by the Panel.

In addition to the Panel's previous Order granting Sun Life Distributors' Motion to Dismiss, Sun Life Distributors, as more fully set forth in its Motion to Sanction, requests that Oxford Financial be sanctioned for filing its frivolous third-party claims and that the sanction amount to be awarded be the total dollar amount of attorney's fees and costs incurred by Sun Life Distributors in defending itself in this action. In that regard, the total amount of attorney's fees sought for recovery by Sun Life Distributors is \$4,841.00.

Also, Sun Life Distributors requests that all costs incurred by it in this proceeding be reimbursed by Oxford Financial, such amounts including any forum, pre-hearing or other fees paid or otherwise owed by Sun Life Distributors to the NASD in relation to this proceeding.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

### **AWARD**

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

- 1.) Respondent, Oxford Financial Group, is liable for and shall pay to Claimant, Jeffrey M. Sullivan, the sum of \$39,000 in compensatory damages;
- 2.) Respondent, Oxford Financial Group, is liable for and shall pay to Claimant, Jeffrey M. Sullivan, the sum of \$14,625 in attorney's fees pursuant to contract;
- 3.) Respondent, Oxford Financial Group, is liable for and shall pay to Claimant, Jeffrey M. Sullivan, the sum of \$300 in costs;
- 4.) The Counter-Claim of Respondent Oxford Financial Group is denied and dismissed with prejudice;
- 5.) Third Party Claimant, Oxford Financial Group, is liable for and shall pay to Third Party Respondent, Sun Life Distributors, the sum of \$4,841 in sanctions;
- 6.) Third Party Claimant, Oxford Financial Group, is liable for and shall pay to Third Party Respondent, Sun Life Distributors, the sum of \$4,450 in costs.
- 7.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
Third Party 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 firms that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firms are Oxford Financial Group and Sun Life Distributors.

#### **Oxford Financial Group:**

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

#### **Sun Life Distributors:**

Member surcharge	= \$ 1,500.00
Pre-hearing processing fee	= \$ 750.00
Hearing processing Fee	= \$ 2,200.00

### **Adjournment Fees**

Adjournments requested during these proceedings:

Hearing Dates, December 16-17, 2003, adjournment by Oxford Financial = \$ 1125.00

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

Three (3) Pre-hearing sessions with Panel x \$1125.00	= \$3375.00
Pre-hearing conferences:	
April 23, 2003	1 session
July 7, 2003	1 session
July 21, 2003	1 session
Seven (7) Hearing sessions x \$1125.00	= \$7875.00
Hearing Dates:	
December 15, 2003	1 session
January 19, 2004	3 sessions
January 20, 2004	3 sessions
<hr/> Total Forum Fees	<hr/> = \$11,250.00

The Arbitration Panel has assessed \$11,250 of the forum fees to Oxford Financial Group.

**FEE SUMMARY**

Claimant, Jeffrey M. Sullivan, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due from NASD Dispute Resolution	= \$ 1,125.00

Respondent and Third Party Claimant, Oxford Financial Group, is liable for:

Third Party Filing Fee	= \$ 500.00
Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$11,250.00
Total Fees	= \$18,075.00
Less payments	= \$ 8,200.00
Balance Due NASD Dispute Resolution	= \$ 9,875.00

Third Party Respondent, Sun Life Distributors is liable for:

Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 4,450.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Ray L. Cox, Esq. - Public Arbitrator, Presiding Chair  
Frank M. Romano - Public Arbitrator  
Eli Bensky - Non-Public Arbitrator

**Concurring Arbitrators:**

/s/ Ray L. Cox, Esq.  
Ray L. Cox, Esq.  
Public Arbitrator, Presiding Chair

February 5, 2004  
Signature Date

/s/ Frank M. Romano  
Frank M. Romano  
Public Arbitrator

February 4, 2004  
Signature Date

/s/ Eli Bensky  
Eli Bensky  
Non-Public Arbitrator

February 4, 2004  
Signature Date

February 5, 2004  
Date of Service (For NASD office use only)



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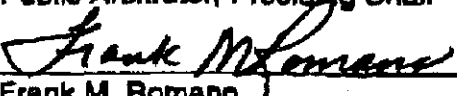
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