

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Oxford Financial Group, formerly known as
Investors Trading Corp.

Case Number: 02-06776

Name of the Respondent

SWS Securities, Inc.

Hearing Site: Dallas, Texas

NATURE OF THE DISPUTE

Member Firm v. Member Firm

REPRESENTATION OF PARTIES

Claimant Oxford Financial Group, formerly known as Investors Trading Corp., hereinafter referred to as "Claimant": Ben L. Krage, Esq. of the firm of Krage & Janvey, L.L.P., located in Dallas, Texas.

Respondent SWS Securities, Inc., hereinafter referred to as "Respondent": Corbett F. Bryant, Esq., of the firm of Carrington Coleman Sloman & Blumenthal, located in Dallas, Texas.

CASE INFORMATION

Statement of Claim filed: November 11, 2002.

Claimant's Representative signed the Uniform Submission Agreement: November 8, 2002.

Claimant's Amended Statement of Claim filed: January 10, 2003.

Claimant's Second Amended Statement of Claim filed: July 9, 2003.

Statement of Answer filed by Respondent: November 29, 2002.

Respondent's Representative signed the Uniform Submission Agreement: November 19, 2002.

Respondent's Response to the Second Amended Statement of Claim filed: July 21, 2003.

Claimant's Pre-Trial Brief filed: November 25, 2003.

Respondent's Hearing Brief filed: November 25, 2003.

Claimant's Amended Pre-Trial Brief filed: April 16, 2004.

Claimant's Post-Hearing Submission filed: May 5, 2004.

CASE SUMMARY

Claimant asserted the following causes of action against the Respondent who acted as its clearing firm: breach of contract; negligence and gross negligence; conversion; and for an accounting. The causes of action related to the actions of two of Claimant's employees who took advantage of an error in the Respondent's reporting system to generate trades in index options without generating margin, maintenance or other equity requirements. As a result, Claimant did not receive accurate reports and were unaware of its employees improper and unauthorized trading practices. In addition, Claimant alleged that Respondent completed a new software conversion that contained problems in the accounting and payment of fees received from various mutual fund companies. Furthermore, Respondent failed to return to Claimant the security/clearing deposit upon cancellation of the clearing agreement.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant failed to properly supervise its employees and the trading done in its office, permitting the brokers to engage in option trading they were not authorized to do;
2. Pursuant to the contract between the parties, the obligation to make good on any unpaid deficiency rests squarely with Claimant;
3. Claimant is estopped from claiming that Respondent should bear some or all of the deficiency. In an effort to resolve the situation, Respondent loaned money to Claimant in order for Claimant to continue business and generate profits to cover its obligation. Claimant defaulted on the Note and cannot now claim that the losses should be shifted to Respondent;
4. The provisions of the First Clearing Agreement did not require Respondent to create or issue any particular level of house margin requirements;
5. Claimant breached its contractual obligations to Respondent through its failure to supervise and that, as well as its own negligence, were the proximate causes of the losses in questions;
6. Any alleged negligence by Respondent was exceeded by the negligence or gross negligence of the Claimant; and,
7. Respondent and Claimant did not contract that Respondent's computer system would perform in the manner asserted by Claimant and there is no liability for such a claim.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages

\$ 654,755.57

Compensatory Damages

\$ 42,000.00 for the withheld
clearing deposit

Punitive Damages

In an amount sufficient to punish
Respondent in an amount deemed
fair and reasonable by the Panel

Interest
Attorneys' Fees

Pre-and post-judgment
In an amount to be enumerated at
hearing or as determined by the
Panel

Other Costs
Other Monetary/Non-Monetary Relief if any:

Unspecified
Recovery of all amounts owed to
Claimant for the outstanding mutual
fund fees, plus such further relief as
the Panel deemed just and
appropriate.

Respondent requested that the Panel dismiss all Claimant's claims and that Respondent have an award of its reasonable and necessary attorney's fees and other costs incurred, as well as such further relief that it may show itself entitled.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted by Claimant Oxford Financial Group, formerly known as Investors Trading Corp. are dismissed and denied in their entirety;
2. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those sums specifically enumerated herein; and,
3. 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

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

Initial claim filing fee = \$ 1,250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Oxford Financial Group, formerly known as Investors Trading Corp. and

SWS Securities, Inc. are both parties and the following fees are assessed:

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 15-17, 2003 adjournment by both parties (Waived by Panel)	= \$ 1,200.00
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Forum Fees and Assessments

The Panel has assessed forum 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:

One (1) Pre-hearing session with Panel @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conference: June 11, 2003 1 session	
Five (5) Hearing sessions @ \$1,200.00	= \$ 6,000.00
Hearing Dates: May 3, 2004 2 sessions	
May 4, 2004 3 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 7,200.00

The Panel has assessed \$ 7,200.00 of the forum fees to the Claimant, Oxford Financial Group, formerly known as Investors Trading Corp.

FEE SUMMARY

Claimant Oxford Financial Group, formerly known as Investors Trading Corp. is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 7,200.00
Total Fees	= \$15,450.00
Less payments	= \$ 9,450.00
Balance Due NASD Dispute Resolution	= \$ 6,000.00

Respondent SWS Securities, Inc. is solely liable for:

Member Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

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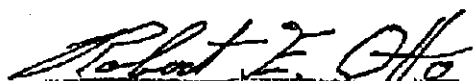
ARBITRATION PANEL

Robert E. Otto - Non-Public Arbitrator, Presiding Chairperson

R. Dan Mitchell - Non-Public Arbitrator

Phillip Lee Scheldt, Ph.D - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert E. Otto

Non-Public Arbitrator, Presiding Chairperson



Signature Date

R. Dan Mitchell

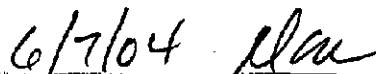
Non-Public Arbitrator

Signature Date

Phillip Lee Scheldt, Ph.D

Non-Public Arbitrator

Signature Date



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

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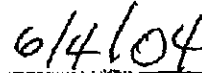
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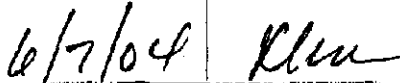


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Non Public Arbitrator

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Non-Public Arbitrator

6/7/04
Signature Date

6/7/04 PLM
Date of Service (For NASD Dispute Resolution office use only)