

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant / Counter-Respondent

Kevin R. Davidson

v.

03-04076

Minneapolis, Minnesota

Respondent / Counter-Claimant

Oak Ridge Financial Services Group, Inc.,
f/k/a Equity Services Investments, Inc.

Nature of Dispute: Associated Person v. Member and Member v. Associated Person

REPRESENTATION OF PARTIES

Kevin R. Davidson ("Claimant") was represented by F. Chet Taylor, Esq., of Meikle & Taylor, P.A., Minneapolis, Minnesota.

Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc. ("Respondent"), were represented by Stacey P. Slaughter, Esq., of Robins, Kaplan, Miller & Ciresi, LLP, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about June 5, 2003. Submission Agreement of Claimant was signed on or about May 30, 2003.

A Statement of Answer and Counterclaim was filed by Respondent Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc. on or about July 30, 2003. Submission Agreement of Respondent Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc. was signed on or about June 27, 2003.

Claimant filed an Answer to Respondent's Counterclaim on or about August 12, 2003.

CASE SUMMARY

Claimant asserted the following cause of action: breach of employment contract. The cause of action related to Claimant's allegation that Respondent breached its employment contract with him dated June 18, 2002 ("June 18, 2002 Agreement"). According to Claimant, the contract specified that Respondent would be responsible and pay to Claimant a three-month severance package if his employment was terminated without cause within one year of the employment contract. Claimant

alleged on December 3, 2003, within the one year time period, Respondent terminated him without cause and has failed to pay him the three-month severance package and his accrued vacation time in violation of their employment agreement.

Respondent denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant incurred no damages, and to the extent that Claimant had suffered damages, they were caused by his own conduct or by a failure to mitigate; Respondent did not breach any contract, and if it had, Claimant breached it first; Claimant's claims are barred by the doctrines of accord and satisfaction; the parties agreed to terminate the June 18, 2002 Agreement and all rights thereunder; and all actions by Respondent with regard to Claimant, were appropriate, lawful, and made in good faith compliance with applicable provisions of law, rules and regulations.

Respondent, in its counterclaim, asserted the following cause of action: breach of employment contract. The cause of action related to Respondent's allegation that Claimant breached his employment contract dated December 3, 2002, which stated that Claimant agreed that his compensation agreement dated June 18, 2002, was terminated and as such any obligation of either party under that contract ceased on December 3, 2002. Respondent also alleged that Claimant brought this dispute before the Minnesota Department of Economic Security, in direct breach of his contractual obligation to minimize potentially high costs and bring all controversies arising out of or relating to his employment in arbitration.

Claimant denied the allegations set forth in the counterclaim and asserted various defenses.

RELIEF REQUESTED

Claimant requested an award in the amount of \$40,701.92, plus interest, costs, attorney's fees and any other relief that the panel deemed just and equitable.

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees. Respondent, in its counterclaim, requested an award of unspecified damages. In addition Respondent requested costs, attorney's fees and any other relief that the panel deemed just and equitable.

OTHER ISSUES CONSIDERED & DECIDED

All parties agreed to proceed with a single arbitrator and accepted the composition of the panel.

AWARD

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

1. Respondent, Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc., is liable for and shall pay to Claimant, Kevin R. Davidson, the sum of Thirty One Thousand Eight Hundred Seventy Five Dollars and No Cents (\$31,875.00) in compensatory damages;
2. Respondent, Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc., is liable for and shall pay to Claimant, Kevin R. Davidson, interest at 6% per annum on the above stated sum from and including December 4, 2002, through and including the date this Award is paid in full;
3. Respondent, Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc., is liable for and shall pay to Claimant, Kevin R. Davidson, the sum of One Hundred Seventy Five Dollars and No Cents (\$175.00) for reimbursement of Claimant's filing fee;
4. Respondent's counterclaim, is denied and dismissed with prejudice in its entirety;
5. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee	= \$ 175
Counterclaim filing fee	= \$ 500

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc.

Member surcharge	= \$ 875
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 2,200

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Chairperson x \$ 450 = \$ 450

Pre-hearing conference: 2/11/2004 1 session

Two (2) Hearing sessions with the Chairperson x \$ 450 = \$ 900

Hearing Dates: 05/18/2004 2 sessions

Total Forum Fees = \$ 1,350

The Arbitrator has assessed \$ 1,350 of the forum fees to Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc.

Fee Summary

Claimant / Counter-Respondent, Kevin R. Davidson is liable for:

<u>Initial Filing Fee</u>	= \$ 175
Total Fees	= \$ 175
<u>Less payments</u>	= \$ 625
Balance Refunded By NASD Dispute Resolution	= \$ 450

Respondent / Counter-Claimant, Oak Ridge Financial Services Group, Inc., f/k/a Equity Services Investments, Inc., is liable for:

<u>Counterclaim Filing Fee</u>	= \$ 500
Member Fees	= \$ 3,825
<u>Forum Fees</u>	= \$ 1,350
Total Fees	= \$ 5,675
<u>Less payments</u>	= \$ 4,125
Balance Due NASD Dispute Resolution	= \$ 1,550

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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10350(g) of the Code of Arbitration

ARBITRATOR

Joan M. Schroeder, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's Signature:

Joan M. Schroeder, Esq.
Public Arbitrator, Presiding Chair

Signature Date

6/9/04

Date of Service (NASD use only)

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

ARBITRATOR

Joan M. Schroeder, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's Signature:

Joan M. Schroeder
Joan M. Schroeder, Esq.
Public Arbitrator, Presiding Chair

6-8-04
Signature Date

6/8/04
Date of Service (NASD use only)