

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
AIG Financial Advisors, Inc.

Case Number: 05-05832

Names of the Respondents  
Clyde Marshall Thornburg  
Neven Latchezarov Petrov  
Jeffrey Guy Labelle  
Todd David Klimson  
Robert Wesley Turley

Hearing Site: Tampa, FL

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Nature of the Dispute: Member vs. Associated Person.

**REPRESENTATION OF PARTIES**

For AIG Financial Advisors, Inc. ("AIG"), hereinafter referred to as "Claimant": William Zeena, Jr., Esq. and Richard A. D'Amura, Esq., Wilson, Elser, Moskowitz, Edelman & Dicker LLP, Miami, FL.

For Respondent Clyde Marshall Thornburg ("Thornburg"): Charles J. Bartlett, Esq., Icard, Merrill, Cullis, Timm, Furen & Ginsburg, P.A., Sarasota, FL.

Respondent Neven Latchezarov Petrov ("Petrov") did not appear in this matter.

For Respondent Jeffrey Guy Labelle ("Labelle"): William B. Taylor, IV, Esq., MacFarlane Ferguson & McMullen, Tampa, FL.

Respondent Todd David Klimson ("Klimson") did not appear in this matter.

Respondent Robert Wesley Turley ("Turley") appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: November 9, 2005.

Claimant signed the Uniform Submission Agreement: November 8, 2005.

Claimant's Motion for Leave to Amend the Statement of Claim ("Motion to Amend") filed on or about: March 16, 2006.

Respondent Thornburg's Objection to Claimant's Motion to Amend filed on or about: March 23, 2006.

Respondent Turley's Joinder in Respondent Thornburg's Objection to Claimant's Motion to Amend filed on or about: April 13, 2006.

Response to Statement of Claim Including Cross-Claims Against Respondents Petrov, Labelle, Klimson, and Turley and Counterclaim filed by Respondent Thornburg on or

about: February 2, 2006.

Respondent Thornburg signed the Uniform Submission Agreement: January 30, 2006.  
Claimant's Motion to Dismiss, or, in the Alternative, Motion for a More Definite Statement, or, in the Alternative, Answer and Affirmative Defenses to Respondent Thornburg's Counterclaim ("Claimant's Motion to Dismiss") filed on or about: February 28, 2006.

Respondent Thornburg's Response to Claimant's Motion to Dismiss filed on or about: March 24, 2006.

Claimant's Reply in Further Support of its Motion to Dismiss filed on or about: May 5, 2006.

Claimant's Supplemental Brief in Further Support of its Motion to Dismiss filed on or about: May 26, 2006.

Respondent Thornburg's Supplemental Brief in Further Opposition to Claimant's Motion to Dismiss filed on or about: June 2, 2006.

Claimant's Reply Supplemental Brief in Further Support of its Motion to Dismiss filed on or about: June 7, 2006.

Respondent Petrov did not file a Statement of Answer or executed Uniform Submission Agreement.

Respondent Labelle's Answer, Defenses and Counterclaim filed on or about: January 27, 2006.

Respondent Labelle's Amended Answer, Defenses and Counterclaim filed on or about: February 21, 2006.

Respondent Labelle signed the Uniform Submission Agreement: January 6, 2006.

Respondent Labelle's Response to Respondent Thornburg's Cross-Claim filed on or about: February 8, 2006.

Claimant's Motion to Strike Respondent Labelle's Motion to Dismiss, and Claimant's Motion to Dismiss Respondent Labelle's Amended Counterclaim, or, in the Alternative, Motion for a More Definite Statement, or, in the Alternative, Answer and Affirmative Defenses to Respondent Labelle's Counterclaim filed on or about: March 16, 2006.

Respondent Klimson did not file a Statement of Answer or executed Uniform Submission Agreement.

Response by Respondent Turley to Statement of Claim: (A) Answer and Affirmative Defenses; (B) Counterclaim; And (C) Motion to Dismiss ("Respondent Turley's First Motion to Dismiss") filed on or about: February 7, 2006.

Claimant's Response in Opposition to Respondent Turley's Motion to Dismiss and Claimant's Answer and Affirmative Defenses to Respondent Turley's Counterclaim filed on or about: April 3, 2006.

Respondent Turley's Answer, Motion to Dismiss and Motion to Strike Claim for Attorneys' fees to Respondent Thornburg's Cross-Claim ("Respondent Turley's Second Motion to Dismiss") filed on or about: February 22, 2006.

Respondent Turley signed the Uniform Submission Agreement: February 2, 2006.

Respondent Thornburg's Reply to Respondent Turley's Second Motion to Dismiss filed on or about: April 20, 2006.

Respondent Thornburg's Emergency Motion to Dismiss Claimant's Claims With

Prejudice, and for Sanctions and Award of Attorneys' Fees ("Respondent Thornburg's Emergency Motion to Dismiss") filed on or about: December 4, 2006.  
Claimant's Response in Opposition to Respondent Thornburg's Emergency Motion to Dismiss filed on or about: December 6, 2006.

Respondent Turley's joinder with Respondent Thornburg's Emergency Motion to Dismiss ("Respondent Turley's Emergency Motion to Dismiss") filed on or about: December 6, 2006.  
Claimant's Response in Opposition to Respondent Turley's Emergency Motion to Dismiss filed on or about: December 6, 2006.

### **CASE SUMMARY**

Claimant asserted the following causes of action: breach of promissory notes and independent contractor agreements; account stated; money lent; and, unjust enrichment. The causes of action relate to the termination of Respondents' employment with Claimant.

Unless specifically admitted in his Answer, Respondent Thornburg denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In his Counterclaim, Respondent Thornburg asserted the following causes of action: breach of contract; wrongful termination of agreements; failure to pay monies earned; interfering with business relationships; wrongful withholding of commissions and other payments due; and, wrongfully charging Respondent Thornburg for the liabilities of departed representatives. The causes of action relate to the termination of Respondents' employment with Claimant. In his Cross-Claim against Respondents Petrov, Labelle, Klimson, and Turley, Respondent Thornburg asserted the cause of action of indemnification. The cause of action relates to the termination of Respondents' employment with Claimant.

Unless specifically admitted in his respective Answers, Respondent Labelle denied the allegations made in the Statement of Claim and Respondent Thornburg's Cross-Claim and asserted various affirmative defenses. In his Counterclaim, Respondent Labelle asserted the following causes of action: breach of contract; monies owed; and, accounting. The causes of action relate to the termination of Respondents' employment with Claimant.

Unless specifically admitted in his respective Answers, Respondent Turley denied the allegations made in the Statement of Claim and Respondent Thornburg's Cross-Claim and asserted various affirmative defenses. In his Counterclaim, Respondent Turley asserted the following causes of action: monies owed; accounting; and, defamation. The causes of action relate to the termination of Respondent Turley's employment with Claimant.

Unless specifically admitted in its Answers to the Counterclaims, Claimant denied the allegations made in Respondents Thornburg, Labelle, and Turley's respective Counterclaims and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of \$69,900.00 from Respondent

Thornburg, \$19,614.05 from Respondents Petrov and Thornburg, \$98,024.37 from Respondents Labelle and Thornburg, \$16,821.88 from Respondents Klimson and Thornburg, and \$46,750.00 from Respondents Turley and Thornburg. Claimant also requested interest, costs, punitive damages, attorneys' fees and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and proper from all Respondents.

Further, Claimant requested dismissal of Respondents Thornburg, Turley, and Labelle's respective Counterclaims plus costs, attorneys' fees, and such other, different or further relief as the Panel deemed just and proper.

Respondent Thornburg requested dismissal of the Statement of Claim. In his Cross-Claim against Respondents Petrov, Labelle, Klimson, and Turley, Respondent Thornburg requested indemnification, interest, attorneys' fees, costs, and such other and further relief as may be warranted. In his Counterclaim, Respondent Thornburg requested compensatory damages of approximately \$430,000.00, attorneys' fees, costs, and such other and further relief as may be warranted.

Respondent Labelle requested dismissal of the Statement of Claim and Respondent Thornburg's Cross-Claim. In his Counterclaim, Respondent Labelle requested compensatory damages of approximately \$70,000.00, costs, attorneys' fees, and such other relief as is deemed just.

Respondent Turley requested dismissal of the Statement of Claim and Respondent Thornburg's Cross-Claim, costs, attorneys' fees, and such other relief as is deemed just. In his Counterclaim, Respondent Turley requested compensatory damages in excess of \$1,000,000.00, interest, costs, attorneys' fees, an accounting, and such other and further relief as may be deemed proper.

#### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about February 28, 2006, Respondent Thornburg filed a Voluntary Dismissal of Cross-Claim Against Respondent Labelle.

On or about April 17, 2006, Claimant withdrew its Motion to Amend.

On or about May 10, 2006, the Panel issued an order which denied Respondent Turley's First and Second Motions to Dismiss, and deemed moot Respondent Thornburg's Motion to Strike Claim for Attorneys' Fees.

On or about May 22, 2006, the Panel issued an order which denied Claimant's Motion to Dismiss on all grounds except as to dismissal of so much of the Counterclaim as pertains to wrongful termination of employment of Respondent Thornburg.

On or about July 3, 2006, the Panel issued an order which granted that portion of Claimant's Motion to Dismiss which pertained to wrongful termination of employment of Respondent Thornburg.

On or about July 25, 2006, Claimant filed a Notice of Dismissal as to Respondent Jeffrey Guy Labelle.

On or about August 10, 2006, Claimant filed a Notice of Dismissal as to Respondent Neven Latchezarov Petrov.

On or about September 14, 2006, Respondent Labelle filed a Notice of Dismissal as to Counter-Respondent AIG Financial Advisors, Inc.

During the evidentiary hearing, Respondent Thornburg withdrew his Counterclaims as to Claimant's failure to observe NASD regulations, interference with business relationships, bad faith, and hostile work environment.

During the evidentiary hearing, the Panel denied Respondent Thornburg and Turley's respective Emergency Motions to Dismiss the Statement of Claim.

Respondents Petrov and Klimson failed to file Answers to the Statement of Claim and Respondent Thornburg's Cross-Claims and did not appear at the evidentiary hearing. Upon review of the file and the representations made by/on behalf of the Claimant and Cross-Claimant Thornburg, the Panel determined that Respondents Petrov and Klimson were not properly served with the Statement of Claim and Cross-Claim. As such, the Panel dismissed, without prejudice, Claimant's claims against Respondent Klimson and Respondent Thornburg's Cross-Claim against Respondents Petrov and Klimson.

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.

### **AWARD**

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

Respondent Thornburg is liable for breach of contract and default on promissory notes and shall pay to Claimant compensatory damages in the sum of \$29,027.00 plus interest at the Florida legal rate accruing from December 14, 2006 until the date of payment of the Award.

Respondents Thornburg and Turley are liable, jointly and severally, for breach of contract and default on promissory notes and shall pay to Claimant compensatory damages in the sum of \$46,418.00 plus interest at the Florida legal rate accruing from December 14, 2006 until the date of payment of the Award.

Respondents Thornburg and Turley are liable, jointly and severally, and shall pay to Claimant 60% of its attorneys' fees and costs pursuant to the contract between the parties. The amount of attorneys' fees and costs shall be determined by a court of competent jurisdiction.

Claimant's Statement of Claim is dismissed, without prejudice, as to Respondent

Klimson.

Respondent Thornburg's Counterclaim is dismissed, with prejudice.

Respondent Turley's Counterclaim is dismissed, with prejudice.

Respondent Turley is liable and shall reimburse Respondent Thornburg any amounts Respondent Thornburg pays to Claimant on the joint and several award of \$46,418.00 plus interest at the Florida legal rate accruing from the date of payment by Respondent Thornburg of the aforementioned sum to Claimant until the date Respondent Turley reimburses Respondent Thornburg.

Respondent Thornburg's Cross-Claim is dismissed, without prejudice, as to Respondents Petrov and Klimson.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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	= \$1,000.00
Respondent Thornburg's Counterclaim filing fee	= \$ 300.00
Respondent Labelle's Counterclaim filing fee	= \$ 225.00
Respondent Turley's Counterclaim 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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Claimant is a party and member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed during these proceedings.

#### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were assessed during these proceedings.

### **Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$ 900.00
Pre-hearing conferences: October 25, 2006	1 session
November 30, 2006	1 session

Three (3) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$3,600.00
Pre-hearing conferences: April 10, 2006	1 session
May 10, 2006	1 session
May 22, 2006	1 session

Eight (8) Hearing sessions @ \$1,200.00/session	= \$9,600.00
Hearing Dates: December 11, 2006	2 sessions
December 12, 2006	2 sessions
December 13, 2006	2 sessions
December 14, 2006	2 sessions

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Total Forum Fees	= \$14,100.00
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1. The Panel has assessed \$7,050.00 of the forum fees to Claimant.
2. The Panel has assessed \$7,050.00 of the forum fees jointly and severally to Respondents Thornburg and Turley.

### **Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

### Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 7,450.00
Forum Fees	= \$ 7,050.00
Total Fees	= \$15,500.00
Less payments	= \$ 9,575.00
Balance Due NASD Dispute Resolution	= \$ 5,925.00

Respondent Thornburg is solely liable for:

Counterclaim Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Labelle is solely liable for:

Counterclaim Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
Less payments	= \$ 225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Turley is solely liable for:

Counterclaim Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Thornburg and Turley are jointly and severally liable for:

Forum Fees	= \$ 7,050.00
Total Fees	= \$ 7,050.00
Less payments	= \$ 2,325.00
Balance Due NASD Dispute Resolution	= \$ 4,725.00

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

### ARBITRATION PANEL

Noel K. Evans, Esq.	- Public Arbitrator, Presiding Chairperson
Ronald A. Isackson	- Public Arbitrator
Arthur De Stefano	- Non-Public Arbitrator



**Concurring Arbitrators' Signatures**

/s/  
Noel K. Evans, Esq.  
Public Arbitrator, Presiding Chairperson

                      
Signature Date

/s/  
Ronald A. Isackson  
Public Arbitrator

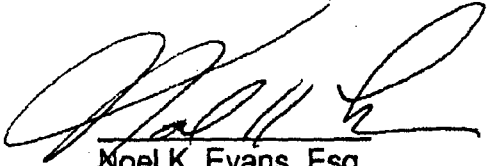
                      
Signature Date

/s/  
Arthur De Stefano  
Non-Public Arbitrator

                      
Signature Date

December 22, 2006  
Date of Service (For NASD Dispute Resolution use only)

**Concurring Arbitrators' Signatures**



Noel K. Evans, Esq.  
Public Arbitrator, Presiding Chairperson

12/22/06  
Signature Date

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Ronald A. Isackson  
Public Arbitrator

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Arthur De Stefano  
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12-22-06  
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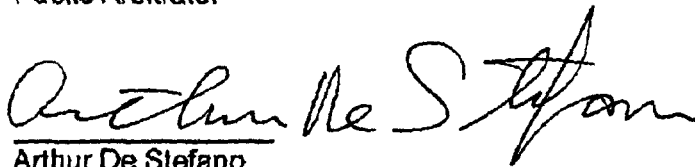
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