

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondents

Spectrum Investment Services, Inc.
CFD Investments, Inc.

Hearing Site: Chicago, Illinois

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

For Claimant ██████████ Docthor D. Kennedy, MBA, J.D. and Owen Harnett, Esq., AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Spectrum Investment Services, Inc. ("Spectrum") did not enter an appearance in this matter.

For Respondent CFD Investments, Inc. ("CFD"): Matthew Bahrenburg, J.D., CFD Investments, Inc., Kokomo, Indiana.

CASE INFORMATION

Statement of Claim filed on or about: September 29, 2016.

██████████ signed the Submission Agreement: September 29, 2016.

Statement of Answer filed by Respondent CFD on or about: November 11, 2016.

CFD Investments, Inc. signed the Submission Agreement: November 11, 2016.

Spectrum Investment Services, Inc. did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the cause of action of inaccurate reporting on his Central Registration Depository ("CRD") records. The cause of action relates to two separate complaints filed by customers, Occurrence No. ██████████ ("Complaint 1"), and Occurrence No. ██████████ ("Complaint 2"), recorded by Respondents on Claimant's CRD records.

In its Statement of Answer, Respondent CFD did not contest the requested expungement relief and stated that there is no legal or factual basis to support a claim of monetary damages or other relief requested in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of all references to Complaint 1 and Complaint 2 from his CRD records; an award of damages in the amount of \$1.00; and any and all other relief deemed just and equitable.

In the Statement of Answer, Respondent CFD requested that the monetary relief requested in the Statement of Claim be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

Respondent Spectrum Investment Services, Inc. did not file with FINRA Office of Dispute Resolution a properly executed Submission Agreement or Answer to the Statement of Claim but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On or about December 24, 2016, the Arbitrator issued an Order directing Claimant to provide a copy of the Statement of Claim and notice of the telephonic expungement hearing to the customers that filed the underlying Complaints and provide FINRA with proof of service thereof. On or about January 31, 2017, Claimant filed with FINRA Office of Dispute Resolution proof of service of the Statement of Claim, Initial Pre-hearing Conference Scheduling Order and notice of the expungement hearing to the underlying customers in Complaint 1 and Complaint 2, and advised them of their right to participate in the expungement hearing scheduled for March 17, 2017. None of the customers submitted a written response thereto or otherwise sought to participate.

The Arbitrator conducted a recorded telephonic hearing on March 17, 2017, so that the parties could present oral argument and evidence on Claimant's requests for expungement. Respondent CFD's counsel appeared at the recorded telephonic expungement hearing and, upon its request and without objection from opposing counsel, was excused from further participation in the hearing. None of the customers in the underlying complaint attended the expungement hearing.

Respondent Spectrum did not participate in the expungement hearing and did not file a response to Claimant's requests for expungement.

AWARD

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

1. Claimant's request for expungement of Occurrence No. [REDACTED] is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence No. [REDACTED] from registration records maintained by the CRD, for Claimant (CRD # [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The Arbitrator has made the above Rule 2080 finding based on the following reasons:

The customer in Occurrence No. [REDACTED] acknowledged in writing that she discussed the investments at issue with Claimant and received the prospectuses along with other information relating to the investments (as reflected in the Investment Disclosures Forms provided as Exhibits 15, 16 and 17 to the Statement of Claim). This was supported by Claimant's contemporaneous handwritten notes (Exhibit 13 to the Statement of Claim - various typed and hand-written notes by Claimant). Evidence also showed the customer received the annuity contracts in 2008 with the right to examine and a 10-day right to reject (Exhibit 14 to the Statement of Claim - Nick Squires of Allianz Life Insurance Company of North America response letter to Dawn Perry at Indiana Department of Insurance, dated April 11, 2014). For over five years, the customer received payments under the annuity contracts at issue before ever complaining to the State of Indiana Department of Insurance that her contracts were not explained in detail. The State of Indiana Department of Insurance investigated and made no finding of wrongdoing against Claimant. The customer never pursued the matter further, never filed a complaint with FINRA, and continued to retain the contracts. The Arbitrator concludes that the customer complaint in Claimant's CRD is clearly erroneous and should be expunged.

In making the above findings, the Arbitrator reviewed and considered: the Statement of Claim with exhibits; Respondent CFD's Answer; Claimant's BrokerCheck® Report; evidence and testimony presented at the recorded telephonic hearing; and the attempts made to allow the customers the opportunity to participate in the expungement hearing. Additionally, the Arbitrator noted that Claimant did not previously file a claim requesting expungement of the same disclosures in the CRD.

3. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	=\$ 50.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

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, as parties, Respondent CFD and Spectrum are each assessed the following:

Respondent CFD:

Member Surcharge	=\$ 150.00
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Respondent Spectrum:

Member Surcharge	=\$ 150.00
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Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session 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 a single arbitrator @ \$50.00/session	=\$ 50.00
Pre-hearing conference: January 24, 2017 1 session	

One (1) hearing session on expungement request @ \$50.00/session	=\$ 50.00
Hearing Date: March 17, 2017 1 session	

Total Hearing Session Fees	=\$ 100.00
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The Arbitrator has assessed the entire \$100.00 hearing session fees to Claimant.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATOR

Raymond P. Buschmann

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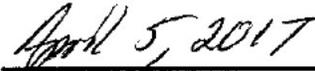
Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature



Raymond P. Buschmann
Sole Public Arbitrator



Signature Date

April 5, 2017

Date of Service (For FINRA Office of Dispute Resolution office use only)