

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondent

Hearing Site: Minneapolis, Minnesota

Harbour Investments, Inc.

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Nature of the Dispute: Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant [REDACTED] ("Claimant"): Eric Litow, AdvisorLaw LLC, Broomfield, Colorado.

For Respondent Harbour Investments, Inc. ("Respondent"): David Genelly, Esq., Vanasco, Genelly & Miller, Chicago, Illinois.

**CASE INFORMATION**

Statement of Claim filed on or about: June 22, 2017.

Claimant signed the Submission Agreement: June 22, 2017.

Statement of Answer filed on or about: August 10, 2017.

Respondent signed the Submission Agreement: August 14, 2017.

**CASE SUMMARY**

Claimant asserted the following cause of action: expungement. The cause of action related to a customer complaint that the Claimant misrepresented the Hartford Variable Annuity contracts sold to her, was negligent, and breached fiduciary duty and Blue Sky laws. Claimant asserts that the customer ("Customer G.R.")'s allegation was false.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

Compensatory Damages:	\$1.00
Other Monetary Relief:	Unspecified
Other Non-Monetary Relief:	Expungement

In the Statement of Answer, Respondent requested that the Panel award Respondent its filing fees and assess all FINRA charges for its participation to Claimant.

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

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

On or about October 6, 2017, Claimant filed his Notice of Request for Arbitration with a Telephonic Expungement Hearing.

On or about November 17, 2017, Claimant filed a Follow-Up Proof of Service on Customer G.R.

On or about January 22, 2018, Respondent filed notice that It Will Not Appear or Participate in the Expungement Hearing.

The Arbitrator conducted a recorded telephonic hearing on January 26, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing and did not contest the request for expungement.

The Arbitrator reviewed Claimant's BrokerCheck® Report and the settlement documents, considered the amount of payments made, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on the customer of the underlying complaint not opposing the request for expungement. The Arbitrator also noted that Claimant did not contribute to the settlement amount. The Arbitrator determined that the amount paid by Respondent was minimal and appeared to represent the cost of litigation. The Arbitrator found that the Settlement Agreement stated that the settlement was not an admission of liability.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of the same disclosure in the Central Registration Depository ("CRD").

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: Exhibits 1-9 of Claimant's exhibits.

At the final hearing, Claimant withdrew his request for compensatory damages.

The parties present at the hearing 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 Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator recommends the expungement of all references to Occurrence # [REDACTED] from registration records maintained by the CRD for [REDACTED] [REDACTED] (CRD [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, [REDACTED] 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 findings of fact:

- The claim, allegation, or information is factually impossible or clearly erroneous; and
- The claim, allegation, or information is false.

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

Customer G.R.'s claim is factually impossible or clearly erroneous because Customer G.R. did not lose money invested in the annuities recommended by [REDACTED] [REDACTED] [REDACTED]. Customer G.R. lost money related to investments/recommendations by her certified public accountant. The customer claim is false because Customer G.R. suffered no loss related to the annuities recommended by [REDACTED].

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

## FEES

Pursuant to the Code of Arbitration Procedure, 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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Harbour Investments, Inc. is assessed the following:

Member Surcharge = \$ 150.00

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

Two (2) pre-hearing sessions with a single arbitrator @ \$50.00/session = \$ 100.00  
Pre-hearing conferences: October 20, 2017 1 session  
December 15, 2017 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00  
Hearing Date: January 26, 2018 1 session

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Total Hearing Session Fees = \$ 150.00

The Arbitrator has assessed the \$150.00 hearing session fees to [REDACTED]  
[REDACTED]

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

**ARBITRATOR**

Frederick Ramos

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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**

/s/ Frederick Ramos

Frederick Ramos  
Sole Public Arbitrator

01/31/2018

Signature Date

01/31/2018

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

**ARBITRATOR**

Frederick Ramos

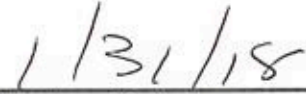
Sole Public Arbitrator

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**



Frederick Ramos  
Sole Public Arbitrator



Signature Date

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