

AWARD

FINRA Office of DISPUTE RESOLUTION

CASE #: [REDACTED]

[REDACTED] (Claimant) vs. Larson Financial Securities, LLC. (Respondent)

REPRESENTATION OF PARTIES:

For Claimant [REDACTED]: Dochter Kennedy, MBA, J.D., and Armin Sarabi, J.D., AdvisorLaw LLC, Broomfield, Colorado.

For Respondent Larson Financial Securities, LLC.: Sean P. O'Hanlon, Esq., Larson Financial Services, LLC., St. Louis, Missouri.

NATURE OF DISPUTE: Associated Person vs. Member

Statement of Claim filed on or about: December 30, 2016.
Amended Statement of Claim filed on: December 26, 2017.

CASE SUMMARY: In the Statement of Claim, Claimant asserted a claim seeking expungement of three customer disputes, occurrence numbers [REDACTED], [REDACTED] and [REDACTED], from his Central Registration Depository ("CRD") record. Occurrence numbers [REDACTED] and [REDACTED] were customer complaints filed with Respondent and occurrence number [REDACTED] was a civil complaint filed Los Angeles County, Superior Court for the State of California ("Civil Complaint").

In the Amended Statement of Claim, Claimant included an additional customer complaint occurrence number [REDACTED], changed the order of exhibits and added additional facts.

RELIEF REQUESTED: In the Statement of Claim and Amended Statement of Claim, Claimant requested:

1. Expungement of occurrence numbers [REDACTED], [REDACTED], [REDACTED] and [REDACTED] from his CRD record pursuant to FINRA Rule 2080(b)(1)(A) as the claim, allegation, or information is factually impossible or clearly erroneous;
 2. Expungement of occurrence numbers [REDACTED], [REDACTED], [REDACTED] and [REDACTED] from his CRD record pursuant to FINRA Rule 2080(b)(1)(C) as the claim, allegation, or information is false;
 3. An award of damages in the amount of \$1.00 from Respondent for its part in contributing to Claimant's injury; and
 4. Any and all other relief that the Arbitrator deems just and equitable.
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OTHER ISSUES: The Arbitrator acknowledges that she has read the pleadings and other materials filed by the parties.

On March 14, 2017, Respondent submitted a letter advising that it takes no position and does not wish to participate in this proceeding.

On September 5, 2017, Claimant provided notice that the Amended Statement of Claim dated May 24, 2017 had been served on the underlying customers in occurrence

number [REDACTED] (Dr. and Mrs. H), occurrence number [REDACTED] (Dr. C, Dr. Z and Dr. A) and occurrence number [REDACTED] (Dr. B), hereinafter collectively referred to as the "Underlying Customers."

On September 22, 2017, the Arbitrator ordered Claimant to file proof of service of the Statement of Claim or Amended Statement of Claim and the Scheduling Order setting the expungement hearing on the Underlying Customers. The Arbitrator further ordered Claimant to advise the Underlying Customers that they have until November 10, 2017 to mail to FINRA and Claimant's attorney any written material they wish to be considered at the expungement hearing and they can participate in the hearing by contacting FINRA.

On October 6, 2017, Claimant provided notice that the Underlying Customers had been served with a copy of the September 22 Order.

On December 26, 2017, the Arbitrator granted Claimant's Motion to Amend the Statement of Claim. The Arbitrator found that the Amended Statement of Claim dated May 24, 2017 was served on the Underlying Customers. However, the Arbitrator found that Claimant had not served the Amended Statement of Claim on the underlying customer in occurrence number [REDACTED] (Dr. ZA). The Arbitrator ordered Claimant to serve Dr. ZA with the Amended Statement of Claim and the September 22 Order by overnight courier on or by January 3, 2018. The Arbitrator further ordered Claimant to submit a current BrokerCheck® Report and any written settlement documents in occurrence numbers [REDACTED], [REDACTED], [REDACTED] and [REDACTED].

The Arbitrator conducted a recorded telephonic hearing on January 15, 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 took no position on Claimant's expungement request.

During the expungement hearing, Claimant requested to amend the Amended Statement of Claim to withdraw the expungement request for customer dispute occurrence number [REDACTED]. The Arbitrator granted this request.

Claimant also withdrew his request for an award of \$1.00 in damages against Respondent.

The Arbitrator found that the Underlying Customers were properly notified of the expungement hearing and they did not contact FINRA nor did they appear at the expungement hearing.

The Arbitrator reviewed the BrokerCheck® Report for Claimant.

The Arbitrator reviewed the settlement documents in the Civil Complaint, considered the amount of payments made to any party, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on Dr. C, Dr. Z and Dr. A not opposing the request for expungement. The Arbitrator also noted that Claimant was not a named party in the Civil Complaint and did not contribute to the settlement amount.

The Arbitrator found that the respective disputes with Dr. and Mrs. H and Dr. B were not settled.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of occurrence numbers [REDACTED], [REDACTED] and [REDACTED].

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: Claimant's oral testimony and the exhibits admitted into evidence.

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: The undersigned Arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

The Arbitrator recommends the expungement of all references Occurrence Numbers [REDACTED], [REDACTED], and [REDACTED] from Claimant [REDACTED] (CRD # [REDACTED]) registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to Notice to Members 04-16, Claimant [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.

Occurrence Numbers [REDACTED] (in which Dr. and Mrs. H were the underlying customers) and [REDACTED] (in which Dr. B was the underlying customer):

Pursuant to Rule 13805 of the Code of Arbitration Procedure ("Code"), the Arbitrator has made the following Rule 2080 affirmative findings of fact: the claims, allegations, or information are false.

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

The issue raised in the customer complaints in Occurrence Numbers [REDACTED] and [REDACTED] was that the Variable Universal Life Insurance Policies ("Policies") were unsuitable based on the clients' goals and objectives. All of the evidence presented, including Claimant's oral testimony and the exhibits admitted into evidence in each of the claims, showed that the recommendations for purchase of the Policies were suitable when made based on the clients documented investment objectives, risk tolerance, financials, time horizon and liquidity needs. There was no wrongdoing on the part of Claimant. The underlying customers were unhappy with the purchase of the Policies because of circumstances that changed after the Policies were recommended and purchased. For these reasons, expungement of Claimant's record is appropriate.

Occurrence Number [REDACTED] (in which Dr. C; Dr. Z; and Dr. A were the underlying customers):

As to Dr. Z and Dr. A:

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact: the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

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

The Arbitrator finds that Claimant was not involved in the allegedly unsuitable sales practice violations, including professional negligence, breach of fiduciary duty, fraud and unjust enrichment. All of the evidence presented, including Claimant's oral testimony and the exhibits admitted into evidence, showed that Claimant had no involvement in the recommendation or sale of the Variable Universal Life Insurance Policies purchased by these two customers. The policies were recommended and sold to Dr. A and Dr. Z by a different associated person, Mr. C, before Claimant had any contact with these two customers. For this reason, expungement of Claimant's record is appropriate.

As to Dr. C:

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 false.

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

The Arbitrator finds that the claim by this customer is false. It was alleged that Claimant committed professional negligence, breach of fiduciary duty, fraud and unjust enrichment in the recommendation and sale of the Variable Universal Life Insurance Policy to Dr. C. All of the evidence presented, including Claimant's oral testimony and the exhibits admitted into evidence, show that Claimant made full disclosure of the nature and all material characteristics of the policy he recommended. Furthermore, Dr. C disclosed to Claimant sufficient specific information to support the suitability of the recommendation. For this reason, expungement of Claimant's record is appropriate.

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 a party, Respondent is assessed the following:

Member Surcharge = \$ 150.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

September 20 and 21, 2017, postponement by Claimant = \$50.00

Total Postponement Fees = \$50.00

The Arbitrator has assessed \$50.00 of the postponement fees to Claimant.

Last Minute Cancellation Fees

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

September 20, 2017, postponement requested by Claimant = \$600.00

Total Last Minute Cancellation Fees = \$600.00

The Arbitrator has assessed \$600.00 of the last minute cancellation fees to Claimant.

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:

Two (2) pre-hearing sessions with a single arbitrator @ \$50.00/session = \$100.00
Pre-hearing conferences: June 13, 2017 1 session
September 21, 2017 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$50.00
Hearing Date: January 15, 2018 1 session

Total Hearing Session Fees = \$150.00

The Arbitrator has assessed \$150.00 of the hearing session fees to Claimant.

ARBITRATOR

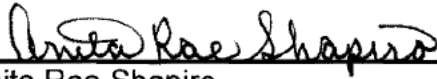
Anita Rae Shapiro

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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



Anita Rae Shapiro
Sole Public Arbitrator

February 8, 2018
Signature Date

February 9, 2018
Date of Service (For FINRA-ODR office use only)