

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

NYLife Securities LLC

Hearing Site: Boston, Massachusetts

consolidated with

Claimant

██████████

Case Number: ██████████

vs.

Respondent

NYLife Securities LLC

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

██████████
For Claimant ██████████: Michael Bessette, Esq., AdvisorLaw, LLC,
Broomfield, Colorado.

For Respondent NYLife Securities LLC: Brandon J. Brigham, Esq., Morgan, Lewis &
Bockius LLP, Philadelphia, Pennsylvania.

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For Claimant ██████████: Michael Bessette, Esq., AdvisorLaw, LLC,
Broomfield, Colorado.

For Respondent NYLife Securities LLC: Brandon J. Brigham, Esq., Morgan, Lewis &
Bockius LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

██████████
Statement of Claim filed on or about: September 21, 2017.

██████████ signed the Submission Agreement: September 21, 2017.

Statement of Answer filed by Respondent on or about: December 22, 2017.
NYLife Securities LLC signed the Submission Agreement: January 2, 2018.

[REDACTED]
Statement of Claim filed on or about: September 21, 2017.
[REDACTED] signed the Submission Agreement: September 21, 2017.

Statement of Answer filed by Respondent on or about: December 22, 2017.
NYLife Securities LLC signed the Submission Agreement: January 2, 2018.

CASE SUMMARY

[REDACTED]
In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records.

In the Statement of Answer, Respondent asserted that it reported the customer complaints under FINRA guidelines.

[REDACTED]
In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records.

In the Statement of Answer, Respondent asserted that it reported the customer complaints under FINRA guidelines.

RELIEF REQUESTED

[REDACTED]
In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records; compensatory damages in the amount of \$1.00; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that the Arbitrator deny Claimant's request for expungement of his CRD records and compensatory damages; costs and forum fees; and such other relief as the Arbitrator deems proper.

[REDACTED]
In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records; compensatory damages in the amount of \$1.00; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that the Arbitrator deny Claimant's request for expungement of his CRD records and compensatory damages; costs and forum fees; and such other relief as the Arbitrator deems proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

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

By correspondence dated January 24, 2018, Respondent filed a Motion to Consolidate case numbers [REDACTED] and [REDACTED] pursuant to FINRA Rule 13314. Claimant did not contest the Motion. After due deliberation and by Order dated January 30, 2018, the Arbitrator granted Respondent's Motion.

The Arbitrator conducted recorded telephonic hearings on May 21, 2018 and June 19-20, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Counsel appeared on behalf of the customers at the hearing and opposed Claimant's request for expungement.

The Arbitrator reviewed the BrokerCheck® Report for Claimant [REDACTED] and the settlement documents, considered the amount of payments made to the customers in the underlying complaints, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlements were not conditioned on the customers' not opposing the requests for expungement. The Arbitrator also noted that the Claimant did not contribute to the settlement amounts.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of the occurrence numbers [REDACTED] and [REDACTED] with FINRA Dispute Resolution.

The Arbitrator noted that Claimant previously requested expungement of occurrence numbers [REDACTED] and [REDACTED] in arbitration claim [REDACTED] which was administratively closed and consolidated with arbitration claim # [REDACTED]. The Arbitrator made no determination regarding Claimant's request for expungement of these occurrences in case # [REDACTED].

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings, party submissions, Claimant's BrokerCheck® Report, settlement agreements, and the testimony at the hearings.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 reference to occurrence numbers [REDACTED] and [REDACTED] from registration records maintained by the Central Registration Depository ("CRD") for Claimant [REDACTED] (CRD # [REDACTED]), 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 directives.

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 false.

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

Occurrence number [REDACTED]

The customers complained about two annuities purchased through Respondent. The transactions were for the purchase of two guaranteed fixed annuities, one for each customer. The customers stated that the Claimant had misrepresented the pay out and start date for the annuities. The evidence presented by Claimant reflects that the customers were in the process of retirement and were looking for income. The Claimant produced signed applications, disclosure documents, delivery receipt documents and other documents reflecting the customers were fully informed about their annuities. The customers filed their complaint in July, 2015, seventeen months after purchasing the annuities. During this same period the customers made monthly contributions and following the investigation by Respondent, still owned the annuities. The customers were not offered any settlement by Respondent relating to these transactions. The complaint was filed subsequent to Claimant's termination with the Respondent. In the July 2015 complaint, the customers also alleged that the Claimant made another misrepresentation. This was in reference to an unrelated transaction occurring approximately one year later, March 2015. The customers alleged that the Claimant advised them to take gains in a variable annuity which they both owned to fund a future income annuity. They stated Claimant represented that the guarantee in their existing annuity would not drop. The transaction involved approximately \$12,000.00 and the customers stated "they were shocked" to find out that their original annuity had dropped by that amount. The Respondent, in a settlement, elected to reverse the transaction, restoring the proceeds to their original annuity along with the guarantee. Following a review of the foregoing record, expungement is recommended.

Occurrence number [REDACTED]

The customers were in their 50's and owned other annuities purchased through Respondent. They had a liquid net worth of about \$1 million and operated their own business. On August 10, 2015, following the termination of Claimant, the customers filed a complaint with Respondent concerning transactions that occurred in April, 2015. The customers in their complaint state that they never authorized the purchase of two Individual flexible deferred paid up fixed annuities processed by the Claimant on their behalf in April 2015. They stated that the funds, which totaled approximately \$83,000.00 representing gains in their existing annuities were to be transferred within the same annuities and not be used to purchase new annuities. Claimant states that the strategy behind the transactions was to lock in gains which was consistent with the customers' investment objective. The customers were concerned about a market drop. The Claimant presented various documents at the hearing reflecting full disclosure of the transactions. The Client Profile and Policy Disclosure Form identifies the source of funds. One customer claims he signed an unidentified blank form, which was filled out by the Claimant. The Claimant denies the allegation. Following Respondent's review of the customers' complaint Respondent offered to cancel the new contracts under their "Right to Examine ("Free Look") Provisions". The policies were delivered subsequent to the Claimant's departure. The customers accepted and the transactions were reversed at no cost to them. Following a review of the foregoing record, expungement is recommended

2. Claimant's request for expungement of occurrence numbers [REDACTED] and [REDACTED] is 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, NYLife Securities LLC is assessed the following:

Member Surcharge	= \$ 150.00
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Postponement Fees

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

May 21-22, 2018, postponement by Claimant \$ 50.00

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

Last Minute 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:

May 21-22, 2018, postponement by Claimant =\$ 600.00

Total Last Minute Cancellation Fees =\$ 600.00

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

Discovery-Related Motion Fee

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers
with one (1) arbitrator @ \$200.00/decision =\$ 200.00

Claimants submitted one discovery-related motion

Total Discovery-Related Motion Fees =\$ 200.00

The Arbitrator has assessed the \$200.00 discovery-related motion 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, 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: January 17, 2018 1 session

May 17, 2018 1 session

Four (4) hearing sessions on expungement request @ \$50.00/session =\$ 200.00

Hearing Dates: May 21, 2018 1 session

June 19, 2018 2 sessions

June 20, 2018 1 session

Total Hearing Session Fees =\$ 300.00

The Arbitrator has the assessed the \$300.00 hearing session fees to Claimant.

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

ARBITRATOR

Frank Sanclemente

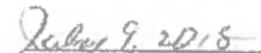
Sole Public Arbitrator

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



Frank Sanclemente
Sole Public Arbitrator



Signature Date

JULY 9, 2018

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