

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

Transamerica Financial Advisors, Inc.

Hearing Site: Indianapolis, Indiana

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████ (“Claimant” or ██████████): Armin Sarabi, J.D.,
AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Transamerica Financial Advisors, Inc. (“Respondent”): Susan D. Duff,
Esq., Transamerica Financial Advisors, Inc., St. Petersburg, Florida.

CASE INFORMATION

Statement of Claim filed on or about: November 9, 2017.
Claimant signed the Submission Agreement: November 9, 2017.

Statement of Answer filed on or about: January 18, 2018.
Respondent signed the Submission Agreement: January 5, 2018.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer complaints related to Occurrence Numbers ██████████ ██████████, and ██████████, from his registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent took no position on the requests for expungement and objected to Claimant’s demand for monetary damages in the amount of one dollar (\$1.00).

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 Arbitrator assess all forum fees against 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 March 5, 2018, Claimant filed a Notice of Request for Arbitration with a Telephonic Expungement Hearing. No response was filed.

In the Initial Pre-Hearing Conference Scheduling Order dated March 20, 2018, the Arbitrator granted Claimant's request for a telephonic expungement hearing. Further, the Arbitrator directed Claimant to send the customers notice of the hearing time and date, as well as, a copy of the Statement of Claim and expungement requests. Finally, the Arbitrator directed Claimant to send copies of the settlement agreements for his consideration.

On or about April 2, 2018, Claimant filed a Brief on FINRA Rule 13206 Relating to Time Limitation on Submission of Claims.

On or about May 15, 2018, Claimant filed a copy of the letters sent to the customers for Occurrence Numbers [REDACTED] and [REDACTED], providing them with the Statement of Claim, notice of the expungement hearing, including the date and time, and the option to participate in the expungement hearing. Claimant filed a Notice of Death Record and an Obituary for the customers for Occurrence Number [REDACTED]. On or about May 24, 2018, Claimant filed an Affidavit of Service signed by Claimant's counsel advising that the customers for Occurrence Numbers [REDACTED] and [REDACTED] had been served with the Statement of Claim and that Claimant was unable to serve the Statement of Claim on the customers for Occurrence Number [REDACTED], as they are deceased. On or about June 13, 2018, Claimant filed a submission of proof of service to customers for Occurrence Numbers [REDACTED] and [REDACTED].

The Arbitrator conducted a recorded, telephonic July 3, 2018, for the presentation of testimony and evidence on [REDACTED]'s requests for expungement. Respondent participated in the expungement hearing and did not contest the requests for expungement. None of the customers participated in the expungement hearing and did not contest the requests for expungement.

On the record at the expungement hearing, Claimant withdrew his request for \$1.00 in compensatory damages.

The Arbitrator reviewed the BrokerCheck® Report for [REDACTED].

For Occurrence Number [REDACTED], the Arbitrator reviewed the settlement documents, 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 the customers not opposing the request for expungement. The Arbitrator also noted that [REDACTED] did not contribute to the settlement amount.

For Occurrence Number [REDACTED], the Arbitrator reviewed the settlement documents, 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 the customers not opposing the request for expungement. The Arbitrator also noted that [REDACTED] did contribute to the settlement amount.

For Occurrence Number [REDACTED], there was no settlement.

The Arbitrator noted that [REDACTED] did not previously file a claim requesting expungement of the same disclosures in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence:

- Occurrence Number [REDACTED]: Exhibit 2 (Mediation Statement), Exhibit 4 (IRA Plan Proposal), Exhibit 8 (Annuity Application), Exhibit 20 (Life Insurance Proposal).
- Occurrence Number [REDACTED]: Exhibit 33 (Contract Data), Exhibit 34 (Firm's Letter to customer responding the complaint), and Exhibit 39 (Claimant's Letter to the Firm responding to customer's complaint).

AWARD

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

1. Strong's request for expungement of Occurrence Number [REDACTED] from his CRD records is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number [REDACTED] from the registration records maintained by the 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 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 false.

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

The customers brought suit in 2004 against Respondent and Claimant, alleging improper advice related to their purchase of a variable annuity and life insurance. The customers were well educated – he was a PhD, she had an MBA. Claimant described them as sharply focused on avoiding taxes and leaving a generous legacy to their children, and he referenced documents in which they acknowledged comprehension of these products. (The claim here mistakenly describes the couple as both lawyers and CPAs – this was an inadvertent transposition referencing their estate-planning attorney and his spouse). Their resolve on achieving their investment goals led them to working out with that attorney (Gordon) a complex strategy, which the instant claim justifiably describes as “byzantine.” The expectation, or hope, was that annuity income would adequately fund the insurance.

The record here establishes convincingly that the customers knew exactly what they were doing, a determination buttressed by a mediator’s observation that “(t)hey achieved the goals they had set to original: minimizing taxes, maximizing the amount of assets transferred at their deaths to their children.” Their lawsuit, with an ad damnum of \$496,000.00 was settled for \$130,000.00, absorbed by Respondent without contribution by Claimant. Given the uncertainties and costs of litigation, I am comfortable with the Claimant’s description of this as a “modest” payment.

Claimant testified that in his thirty years in the business, the three occurrences here referenced are the only securities marks on his CRD. He clearly is not a “rogue broker.” The assertions at hand were without foundation. I conclude, therefore, that they are false, and that expungement is the proper remedy, and I so recommend.

3. The Arbitrator recommends the expungement of all references to Occurrence Number [REDACTED] from registration records maintained by the 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 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 false.

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

This entry reflects dissatisfaction with the performance of the customer's portfolio. He became a customer of Claimant as part of a small book of business acquired from another. At that time, he had a variable annuity with which he was unhappy, and had some experience with mutual funds. He quickly became a chronic complainer, and Claimant spent a good deal of time trying to suggest options for him. Within a year or two, he moved his account elsewhere, and wrote Respondent seeking reimbursement of \$22,000.00 – this is the source of the CRD entry. Respondent reviewed his file and denied reimbursement, having concluded that Claimant's advices had been appropriate.

After reviewing his file, Respondent denied this request and nothing thereafter was heard from customer.

Claimant testified forthrightly regarding his interactions with this somewhat difficult customer, and nothing in this record supplies even a remote reason to infer that Claimant breached any of the obligations owed him. I conclude that the customer's complaint lacked rational foundation and that his assertions therefore were false. Upon this basis, I recommend expungement.

4. 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, Transamerica Financial Advisors, Inc. is assessed the following:

Member Surcharge	= \$ 150.00
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ARBITRATOR

Thomas F. Mahoney

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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/ Thomas F. Mahoney

Thomas F. Mahoney
Sole Public Arbitrator

July 23, 2018

Signature Date

July 23, 2018

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

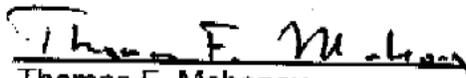
ARBITRATOR

Thomas F. Mahoney

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



Thomas F. Mahoney
Sole Public Arbitrator

23 July 2015
Signature Date

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