

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

Larson Financial Securities, LLC

Hearing Site: Omaha, Nebraska

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████ (“Claimant”): Dochter Kennedy, Esq. and Harris Freedman, Esq., AdvisorLaw LLC, Broomfield, Colorado.

Respondent Larson Financial Securities, LLC (“Respondent”) did not appear.

CASE INFORMATION

Statement of Claim filed on or about: February 12, 2018.

Claimant signed the Submission Agreement: February 12, 2018.

Respondent did not file a Statement of Answer or properly signed Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of a customer complaint, which resulted in a FINRA Arbitration case, Occurrence Number ██████████, from his registration records maintained by the Central Registration Depository (“CRD”).

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number ██████████ from the CRD, \$1.00 in compensatory damages, and all other relief that the Arbitrator deems just and equitable.

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

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file with FINRA Office of Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (“Code”).

On or about July 27, 2018, Claimant filed a copy of his email correspondence with Respondent advising that Respondent would not be participating in the case.

On or about October 1, 2018, in compliance with the Initial Pre-Hearing Conference Order, Claimant filed a copy of the letter sent to the customer for Occurrence Number [REDACTED] (“Customer”), providing him with the Statement of Claim, notice of the expungement hearing date and time, and the option to participate in the expungement hearing. On or about October 11, 2018, Claimant filed an Affidavit of Service of the letter sent to the Customer.

The Arbitrator conducted a recorded, telephonic hearing on October 18, 2018, so the parties could present oral argument and evidence on Claimant’s request for expungement. Neither Respondent nor the Customer appeared at the evidentiary hearing. Upon review of the file, the Arbitrator determined that both Respondent and the Customer have been properly served with the Statement of Claim and received due notice of the hearing.

The Arbitrator reviewed the BrokerCheck® Report for Claimant and 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 Respondent settled with the Customer for an amount that was less than half of the claimed damages and that Claimant contributed to the settlement amount, but Claimant’s contribution was nominal. The Arbitrator also noted that the settlement was not conditioned on the Customer not opposing the request for expungement.

The Arbitrator found that Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: Exhibits 1 through 9, with an emphasis on Claimant’s BrokerCheck® Report (Exhibit 9), the Customer’s complaint (Exhibit 6), and Claimant’s testimony that a prospectus had been timely provided to the Customer and that much time and effort was spent explaining to the Customer the benefits, costs, and risks of a variable universal life insurance policy.

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. 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 Customer falsely claimed that he had not been told that a cheaper term life insurance was available and that a loyalty credit and specific rate of return were not guaranteed for the variable life insurance policy he bought. The Customer admitted that he had been provided with the prospectus and the policy, which he had not carefully read. Respondent's investigation revealed no basis for the Customer's complaints.

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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

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: August 2, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: October 18, 2018	1 session

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

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

ARBITRATOR


Susan L. Walker

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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



Susan L. Walker
Sole Public Arbitrator

10/30/2018

Signature Date

October 30, 2018

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