

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Reema Mahtani

Case Number: 19-01561

vs.

Respondents
Farmers Financial Solutions, LLC
Farmers Insurance Exchange

Hearing Site: Los Angeles, California

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Associated Person vs. Member and Non-Member

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Reema Mahtani (“Claimant”): Patrick R. Mahoney, Esq., Aidikoff, Uhl & Bakhtiari, Beverly Hills, California.

For Respondent Farmers Financial Solutions, LLC (“FFS”): Christopher S. Maile, Esq., Tharpe & Howell, LLP, Sherman Oaks, California.

Respondent Farmers Insurance Exchange (“FIE”) did not enter an appearance in this matter.

Hereinafter, FFS and FIE are collectively referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: June 4, 2019.

Claimant signed the Submission Agreement: June 4, 2019.

Statement of Answer filed by FFS on or about: August 5, 2019.

FFS signed the Submission Agreement: August 1, 2019.

FIE did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: wrongful conduct; breach of oral and written contract; intentional and negligent interference with prospective economic relations; intentional interference with contractual relations; defamation, including defamation per se; false light and public disclosure of private facts; fraud, promissory fraud and negligent misrepresentation; promissory estoppel; conversion; and violations of California law including but not limited to California Labor Code §§ 200 and 2800, and California Business and Professions code §17200. In addition, Claimant asserted a claim alleging Claimant's Form U5 filed by Respondents, as part of registration records maintained by the Central Registration Depository ("CRD"), are false and defamatory in nature.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Compensatory damages in an amount according to proof, but not less than \$1,000,000.00;
2. Compensation, including, but not limited to unpaid wages, commissions, bonuses, reimbursements and benefits;
3. Treble damages pursuant to FFS's violations of Penal Code Section 496;
4. Attorneys' fee and costs;
5. Pre and post-judgment interest at the legal rate;
6. Punitive damages in amount according to proof; and
7. A directive from the Arbitrator to FINRA CRD instructing it to amend Claimant's Form U5 to answer questions 7B and 7F in the negative and expunge all references to the allegations that gave rise to Claimant's termination, including such references included in Claimant's Form U5 DRP.

In the Statement of Answer, FFS did not set forth a specific relief request.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

FIE is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Arbitrator made no determination with respect to the claims against FIE.

FIE did not appear at the evidentiary hearing. Upon review of the file, the Arbitrator determined that FIE received due notice of the hearing and that arbitration of the matter would proceed without FIE present, in accordance with the Code of Arbitration Procedure ("Code").

On January 10, 2022, Claimant and FFS filed a stipulation pursuant to which Claimant dismissed all claims with prejudice, except for Claimant's request for expungement of her Form U5. In addition, Claimant and FFS agreed to proceed with a single arbitrator on the remaining claim for expungement. Therefore, the Arbitrator made no determination with respect to any of the relief requests contained in the Statement of Claim except for Claimant's expungement request.

AWARD

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

The Arbitrator recommends the expungement of the Termination Explanation in Section 3 of Reema Rijhwani Mahtani's (CRD Number 4530664) Form U5 filed by Farmers Financial Solutions, LLC (CRD Number 103863) on December 7, 2018 and maintained by the CRD. The Reason for Termination shall remain the same. The Termination Explanation shall be deleted in its entirety and replaced with the following language: "The affiliate insurance company terminated the Registered Representative's insurance appointment agreement." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The Arbitrator further recommends the expungement of all references to Occurrence Numbers 2008542 and 2008543 from the registration records maintained by the CRD for Reema Rijhwani Mahtani. Any "Yes" answers should be changed to "No," as applicable.

The above recommendations are made with the understanding that the registration records are not automatically amended. Reema Rijhwani Mahtani must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Filing Fee	=\$ 2,000.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), Claimant is assessed a \$200.00 initial claim filing fee. The balance of the non-refundable portion of the filing fee, in the amount of \$400.00, is assessed to FFS.

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 FFS is assessed the following:

Member Surcharge	=\$ 3,025.00
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Member Process Fee = \$ 6,175.00

Postponement Fees

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

January 18, 20-22 & 24, 2022 postponement requested Claimant and FFS = \$ Waived

Last-Minute Cancellation Fees

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

January 18, 20-22 & 24, 2022 cancellation requested by Claimant and FFS = \$ Waived

Discovery-Related Motion Fees

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

One (1) decision on discovery-related motions on the papers with the Panel @ \$600.00/decision = \$ 600.00

Claimant submitted one (1) discovery-related motion
FFS submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 800.00

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), the Panel has assessed the total discovery-related motion fees to FFS.

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, which lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) pre-hearing sessions with a single Arbitrator @ \$450.00/session = \$ 1,350.00
Pre-Hearing Conferences: September 23, 2019 1 session
April 13, 2020 1 session
January 14, 2022 1 session

Five (5) pre-hearing sessions with the Panel @ \$1,400.00/session = \$ 7,000.00
Hearings: October 28, 2019 1 session
June 11, 2020 1 session
November 9, 2020 1 session
March 22, 2021 1 session
June 7, 2021 1 session

One (1) hearing session on with a single Arbitrator @ \$450.00/session = \$ 450.00
Hearing: January 19, 2022 1 session

Total Hearing Session Fees	= \$ 8,800.00
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The Arbitrator waived \$900.00 of the hearing session fees.

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), the Panel has assessed \$7,900.00 of the hearing session fees to FFS.

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

ARBITRATOR

George Herman Frisch

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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

George Herman Frisch

George Herman Frisch
Sole Public Arbitrator

02/10/2022

Signature Date

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February 10, 2022

Date of Service (For FINRA Dispute Resolution Services use only)