

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Orion Kelly Willis

Case Number: 20-01486

vs.

Respondent
Centaurus Financial, Inc.

Hearing Site: Phoenix, Arizona

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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Orion Kelly Willis (“Claimant”): Jennifer P. Farrar, Esq., Farrar Law, PLLC, Tomball, Texas.

For Respondent Centaurus Financial, Inc. (“Respondent”): Michael T. West, Esq., Centaurus Financial, Inc., Anaheim, California.

CASE INFORMATION

Statement of Claim filed on or about: May 11, 2020.

Claimant signed the Submission Agreement: May 28, 2020.

Statement of Answer filed by Respondent on or about: June 23, 2020.

Respondent signed the Submission Agreement: June 23, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number 2022749 from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Number 2022749 from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. Compensatory damages in the amount of \$1.00 from Respondent; and
4. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

1. All monetary requests for relief, including but not limited to compensatory damages in the amount of \$1.00, be denied; and
2. All forum fees be assessed against Claimant pursuant to FINRA Rule 13805(d).

At the hearing, Claimant withdrew the request for \$1.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

On February 11, 2021, Claimant advised that the customer in Occurrence Number 2022749 ("Customer") was served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded hearing by videoconference on April 12, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customer also participated in the expungement hearing and opposed the expungement request.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator noted that the dispute related to Occurrence Number 2022749 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's Statement of Claim; Claimant's BrokerCheck® Report; the Customer's submissions dated March 8, 2021, April 12, 2021, and April 21, 2021; Claimant's post-hearing brief; Claimant's testimony; and the Customer's testimony.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, and any post-hearing submissions, 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 2022749 from registration records maintained by the CRD for Claimant Orion Kelly Willis (CRD Number 4047415) with the understanding that, pursuant to Notice to Members 04-16, Claimant Orion Kelly Willis 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 of Arbitration Procedure (“Code”), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

The primary substance of the Customer’s complaint is that she and her husband lost approximately \$20,000.00 as a result of purchasing a Jackson National Prospective II Annuity (“Jackson Annuity”), recommended by Claimant. The Arbitrator finds this allegation to be erroneous. The Customer did not allege that the Jackson Annuity decreased in value or actually lost money; rather, she alleged that the investments she had liquidated in order to purchase the Jackson Annuity had performed substantially better than the Jackson Annuity over an unspecified period of time.

Evidence presented reflected that the Jackson Annuity actually increased in value during the time period the Customer was a client of Claimant, albeit only a modest amount. There was no evidence presented regarding the performance of the Jackson Annuity after June 28, 2019, two weeks after the termination of the relationship between the Customer and Claimant.

The Customer also alluded to the lack of liquidity in her portfolio. However, in the New Account Application Customer and her husband submitted to Respondent, both the Customer and her husband represented that they had 15 years of experience in annuities and therefore knew or should have known of the relative illiquid nature of annuities.

2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

| | | |
|--------------------------|------|-------|
| Initial Claim Filing Fee | = \$ | 50.00 |
|--------------------------|------|-------|

**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:

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|------------------|------|--------|
| Member Surcharge | = \$ | 150.00 |
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Postponement Fees

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

| | | |
|--|------|-------|
| December 21, 2020, postponement requested by parties | = \$ | 50.00 |
|--|------|-------|

| | | |
|-------------------------|------|-------|
| Total Postponement Fees | = \$ | 50.00 |
|-------------------------|------|-------|

The Arbitrator has assessed the total postponement fees to Claimant.

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:

| | | |
|--|------|--------|
| December 21, 2020, cancellation requested by parties | = \$ | 600.00 |
|--|------|--------|

| | | |
|-------------------------------------|------|--------|
| Total Last-Minute Cancellation Fees | = \$ | 600.00 |
|-------------------------------------|------|--------|

The Arbitrator has assessed the total 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, including a pre-hearing conference with the Arbitrator, which 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: October 7, 2020 | 1 session | |
| March 22, 2021 | 1 session | |

| | | |
|--|-----------|-------|
| One (1) hearing session on expungement request @ \$50.00/session | = \$ | 50.00 |
| Hearing: April 12, 2021 | 1 session | |

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|----------------------------|------|--------|
| Total Hearing Session Fees | = \$ | 150.00 |
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The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Roger A. Geddes

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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

Roger A. Geddes

Roger A. Geddes
Sole Public Arbitrator

05/26/2021

Signature Date

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.

May 27, 2021

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