

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
Bret David LaPorte

Case Number: 20-02370

vs.

Respondent  
Workman Securities Corporation

Hearing Site: Hartford, Connecticut

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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.

**REPRESENTATION OF PARTIES**

For Claimant Bret David LaPorte: Jennifer P. Farrar, Esq., Farrar Law, PLLC, Tomball, Texas.

Respondent Workman Securities Corporation did not enter an appearance.

**CASE INFORMATION**

Statement of Claim filed on or about: July 27, 2020.

Bret David LaPorte signed the Submission Agreement: July 21, 2020.

Workman Securities Corporation did not file a Statement of Answer or sign the Submission Agreement.

**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”).

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1405862 and 1563950; compensatory damages in the amount of \$1.00; and any and all other relief that the Arbitrator deems just and equitable.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On April 3, 2021, Claimant advised that the customers in Occurrence Numbers 1405862 and 1563950 were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on April 7, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing.

The customers also did not participate in the expungement hearing. The Arbitrator found that the customers had notice of the expungement request and hearing.

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 1405862 was not settled and, therefore, there were no settlement documents to review.

The Arbitrator did not review the settlement documentation related to Occurrence Number 1563950. By Affidavit dated April 27, 2021, Claimant advised that due to the age of the complaint, the settlement documents are not available. Claimant also advised that he did not contribute to the settlement amount. As the settlement documents were not available, the Arbitrator was unable to consider the amount paid to any party to the settlement. The Arbitrator noted that the date of the settlement preceded the effective date of the rule against conditioned settlements.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings, Claimant's BrokerCheck® Report, the disclosure statement signed by the customer in Occurrence Number 1405862, and Claimant'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. Claimant's claim for \$1.00 in compensatory damages is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number 1405862 from registration records maintained by the CRD for Claimant Bret David LaPorte

(CRD Number 4733385) with the understanding that, pursuant to Notice to Members 04-16, Claimant Bret David LaPorte 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 false.

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

On or about May 5, 2008, a customer of Respondent filed a written complaint alleging failure to disclose by Claimant. The claim was denied, and the investor is barred from taking any further action due to the six-year statute of limitations. This claim appears to be based on a failure to apprise the customer of the fact that a premature withdrawal of the investment, an annuity product, within the first seven years would result in the imposition of surrender charges to the customer. Based on the evidence presented, specifically, a copy of the disclosure statement presented to and signed by the customer, as well as the testimony of Claimant, the customer was expressly advised of this investment risk. Therefore, the customer was aware of this risk. The complaint as set forth in Claimant’s BrokerCheck® Report is false and should be expunged.

3. The Arbitrator recommends the expungement of all references to Occurrence Number 1563950 from registration records maintained by the CRD for Claimant Bret David LaPorte (CRD Number 4733385) with the understanding that, pursuant to Notice to Members 04-16, Claimant Bret David LaPorte 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 findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and the claim, allegation, or information is false.

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

This claim involves investment by the customer in what was ultimately an unsuitable investment because it turned out to be an illegal and fraudulent Ponzi scheme. However, at the time of the investment, this was by all reasonable standards of diligent inquiry

considered to be a suitable investment. The investment here was considered an approved investment by Claimant's employer at the time. The due diligence on this product was completed by the Compliance Officer of the firm. Claimant did his own research to determine that this was a suitable investment and, because of the fraud, was misled to believe, like many other firms and individuals in the industry, that this was a legitimate investment. Based on the evidence, the Arbitrator found expungement is appropriate under all three standards under Rule 2080 and is hereby granted.

4. 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
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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 Workman Securities Corporation 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, including a pre-hearing conference with the Arbitrator, which 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: January 5, 2021	1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: April 7, 2021	1 session	

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Total Hearing Session Fees	= \$	100.00
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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**

Mark Stuart Gurevitz

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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**

***Mark Stuart Gurevitz***

Mark Stuart Gurevitz  
Sole Public Arbitrator

**05/03/2021**

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 04, 2021

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