

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Bret David Laporte

Case Number: 20-02378

vs.

Respondent
Crown Capital Securities, L.P.

Hearing Site: Hartford, Connecticut

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 Bret David Laporte: Jennifer P. Farrar, Esq., Farrar Law PLLC, Tomball, Texas.

For Respondent Crown Capital Securities, L.P.: Craig R. Bockman, Esq., Jonesbell LLP, Los Angeles, California.

CASE INFORMATION

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

Bret David Laporte signed the Submission Agreement: July 22, 2020.

Statement of Answer filed by Respondent on or about: September 17, 2020.

Crown Capital Securities, L.P. signed the Submission Agreement: December 3, 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 asserted various affirmative defenses but had no objection to Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1629442; compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that Claimant's request for damages be denied, that forum fees be assessed against Claimant, and for such other and further relief to Respondent as appropriate.

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 May 12, 2021, Claimant advised that the customer in Occurrence Number 1629442 ("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 June 3, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

The customer did not participate in the expungement hearing. The Arbitrator found that the customer 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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1629442, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: pleadings, exhibits, Claimant's testimony, Claimant's BrokerCheck® Report, and the settlement agreement.

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 1629442 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; and the claim, allegation, or information is false.

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

It is recommended that Bret David LaPorte be granted an expungement regarding a 2012 customer complaint. The occurrence arose out a customer claim submitted to arbitration. The customer did not make either an appearance at the hearing or provide a written statement for the Arbitrator’s consideration. He was properly notified by the Claimant about this expungement matter. Respondent indicated in its Statement of Answer that it did not oppose Claimant’s expungement. Counsel for the Respondent also noted that Respondent would not be participating in the proceeding since it had no relationship with the customer and only reported the complaint as required by the rules. Claimant filed a post-hearing brief. The Arbitrator reviewed the brief, it’s underlying exhibits and the testimony of the Claimant. The Arbitrator incorporates from Claimant’s brief the following as facts. 1) The customer complaint concerns 9 TIC properties in which the customer invested. 2) According to the customer’s own allegations, 8 of those the TIC properties were purchased through another co-respondent; and 3) the customer admits, he did not “trust” Claimant and instead began utilizing another co-respondent to help him identify and purchase TIC properties. Thus, Claimant had no involvement with 8 of the 9 TIC properties at issue in the customer’s complaint.

The claims against Claimant concern only the NNN North Scottsdale TIC which closed on March 27, 2007. Thus, the allegations by the customer that he had insufficient time to review the TIC disclosure documents is inapplicable to his purchase of the NNN North Scottsdale TIC and his relationship with Claimant. Based on the foregoing, the Arbitrator finds the alleged faults and misdeeds of the co-respondents in FINRA Arbitration Case Number 12-02785 have nothing to do with Claimant. Even the discussion in the Amended Statement of Claim which focused upon NNN North Scottsdale TIC, only refers to Claimant in general terms while focusing on another co-respondent and his company.

The Arbitrator finds the testimony of the Claimant was credible. Specifically, Claimant was forthright, direct and answered all of the questions posed by his attorney and the undersigned. The Arbitrator notes that there was a settlement. Claimant's insurance company paid the settlement amount. Claimant did not contribute to the settlement. Claimant testified the insurance company made a business decision rather than defend him. It seems clear that the dispute between the customer and the respondents was drafted by the customer in an effort to include as many respondents as possible while failing to provide any specifics regarding alleged misdeeds committed by Claimant. In the absence of any evidence to the contrary, the Arbitrator finds that the allegation against the Claimant is false and erroneous and recommends expungement.

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

Member Surcharge = \$ 150.00

Postponement Fees

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

January 28, 2021, postponement requested by Claimant = \$50.00

April 16, 2021, postponement requested by Claimant = \$50.00

Total Postponement Fees = \$100.00

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:

January 28, 2021, cancellation requested by Claimant	= \$ 600.00
April 16, 2021, cancellation requested by Claimant	= \$ 600.00

Total Last-Minute Cancellation Fees	= \$ 1,200.00
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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: November 18, 2020	1 session	
December 3, 2020	1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: June 3, 2021	1 session	

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

Jim Geiger

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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

Jim Geiger

Jim Geiger
Sole Public Arbitrator

07/21/2021

Signature Date

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July 22, 2021

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