

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

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In the Matter of the Arbitration Between:

Claimant  
Kathie Herbst Okun

Case Number: 20-02791

vs.

Respondent  
Honor, Townsend & Kent, LLC

Hearing Site: Baltimore, Maryland

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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 Kathie Herbst Okun: Chelsea Masters and Dochter Kennedy, MBA, J.D., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Honor, Townsend & Kent, LLC: George D. Fagan, Esq. and Reagan R. Wilty, Esq., Leake & Andersson LLP, New Orleans, Louisiana.

**CASE INFORMATION**

Statement of Claim filed on or about: August 25, 2020.

Kathie Herbst Okun signed the Submission Agreement: August 25, 2020.

Statement of Answer filed by Respondent on or about: October 30 2020.

Honor, Townsend & Kent, LLC signed the Submission Agreement: September 22, 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 denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1831556, including deletion of all accompanying Disclosure Reporting Pages, customer dispute Occurrence Number 1831556; compensatory damages in the amount of \$1.00 from

Respondent; and any and all other relief that the Arbitrator deemed just and equitable.

In the Statement of Answer, Respondent requested: denial of Claimant's request for expungement; dismissal with prejudice of Respondent from this proceeding; and such other and further relief as the Arbitrator deemed just and 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 or about April 7, 2021, Claimant served the customer in Occurrence Number 1831556 ("Customer") with the Statement of Claim and notice of the date and time of the expungement hearing. On or about April 12, 2021, Claimant filed an Affidavit confirming that the Customer was served with the Statement of Claim and notice of the date and time of the expungement hearing, which contained an Exhibit reflecting delivery by FedEx on Sunday, April 11, 2021 at 11:56 a.m.

The Arbitrator conducted a recorded, telephonic hearing on May 18, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent appeared at the expungement hearing but did not participate or oppose the expungement request.

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 noted that the dispute related to Occurrence Number 1831556 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 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 1831556 from registration records maintained by the CRD for Claimant Kathie Herbst Okun (CRD Number 1773274) with the understanding that, pursuant to Notice to Members 04-16, Claimant Kathie Herbst Okun 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 claim, allegation, or information is false.

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

In 2007, Claimant sold an insurance policy in which the wife of the person being insured was named the beneficiary. In 2015, the husband of the beneficiary filed a complaint alleging that the beneficiary of the insurance policy was improperly changed in 2011. The evidence shows that there were no changes in the policy since the inception of the insurance policy in 2007. Both the Maryland Insurance Administration and Respondent investigated the claim and found the complaint filed with the Maryland Insurance Administration to be without merit. The insurance policy had not been changed from the date of issuance in 2007. For this reason, the claim was factually impossible, clearly erroneous and false.

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:

Member Surcharge = \$150.00

#### **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: December 14, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing: May 18, 2021 1 session	
<hr/> Total Hearing Session Fees	<hr/> = \$ 100.00

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**

David L. Ruderman

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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**

***David L. Ruderman***

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David L. Ruderman  
Sole Public Arbitrator

**05/21/2021**

\_\_\_\_\_  
Signature Date

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May 21, 2021

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