

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

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In the Matter of the Arbitration Between:

Claimant

Vincent Jerome Camarda

Case Number: 20-02806

vs.

Respondent

LPL Financial LLC

Hearing Site: New York, New York

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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 Vincent Jerome Camarda: Michael Bessette, Esq., HLBS Law, Westminster, Colorado.

For Respondent LPL Financial LLC: Sara B. Davis, Esq., LPL Financial LLC, Boston, Massachusetts.

**CASE INFORMATION**

Statement of Claim filed on or about: August 26, 2020.

Vincent Jerome Camarda signed the Submission Agreement: August 26, 2020.

Statement of Answer filed by Respondent on or about: October 16, 2020.

LPL Financial LLC signed the Submission Agreement: October 16, 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 expungement of Occurrence Number 1996216; 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 the Arbitrator deny Claimant's request for monetary damages.

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 16, 2021, Claimant advised that the customer in Occurrence Number 1996216 ("customer") was 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 March 30, 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 did not participate in the expungement hearing but opposed the expungement request. The Arbitrator found that the customer had notice of the expungement request and hearing. By correspondence received March 16, 2021, the customer objected to Claimant's request for expungement.

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 1996216, 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. Claimant testified that he did not contribute to the settlement amount and Respondent could find no responsive documents indicating that Claimant contributed to the settlement.

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 1996216 from registration records maintained by the CRD for Claimant Vincent Jerome Camarda (CRD Number 2463703) with the understanding that, pursuant to Notice to Members 04-16, Claimant Vincent Jerome Camarda 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:

Customer alleged that advice she was given by Claimant to purchase the Allianz Vision New York Deferred Variable Annuity in 2012 was unsuitable and that costs such as sales charges, fees, penalties, and tax consequences were not properly disclosed. The customer received an incentive package from Verizon Wireless, her employer, to take early retirement and was offered the option of taking either her pension or receiving a lump sum of approximately \$690,000. She chose the latter and sought an investment vehicle that would guarantee her steady monthly income to replace the \$3,600 per month she had been earning at Verizon. In seeking advice from Claimant, the customer stated that she wanted something that was guaranteed and that paid a higher monthly payment than she would have received from her Verizon pension plan. Claimant reviewed with customer various alternatives such as preferred stocks and a growth stock portfolio - both of which she rejected because they did not provide a guarantee of monthly income - and recommended the Allianz Vision New York Deferred Variable Annuity because it guaranteed a monthly income of \$2,000 until age 65 and \$2,300 thereafter for the rest of her life plus a death benefit that would pass to her heirs. Although the customer had life insurance while employed by Verizon, she lost this upon retirement. Regardless of how well or poorly the investments she selected for the portfolio comprising the Allianz Vision New York Deferred Variable Annuity performed, her monthly payment amount was guaranteed. In addition, because this was a New York annuity, it was covered by the New York State Insurance Fund for \$500,000 in the event of failure of the annuity's sponsor. All of this was explained in detail to the customer, who demonstrated her understanding of early cancellation penalties by cancelling two other annuities that she and Claimant had purchased within the 30 day permitted look window to avoid any penalties upon learning of an undisclosed credit card debt amassed by her husband that needed payment and increased their foreseeable need for liquidity. Regarding customer's

alleged outrage at learning from her accountant that she had been paying a 10% penalty for taking an early withdrawal from her IRA, Claimant had arranged for the distributions to conform to IRS Rule 72(t) which permitted withdrawals before age 59 ½ without penalty as long as the withdrawals were substantially equal amounts for 5 years. Because customer’s husband had withdrawn amounts that were not substantially equal and had neglected to inform customer or Claimant, the paperwork that could have been filed/adjusted to eliminate the penalty wasn’t and customer ended up being penalized. When Claimant left LPL and joined American Portfolios Financial Services, Inc. in 2014, the customer went with him. In October of 2015, customer closed her account with Claimant and terminated her relationship with Claimant and transferred her annuity to another company. As of April 27, 2018, the benefit base in customer’s Allianz Vision New York Deferred Annuity was \$612,638.15, despite her having withdrawn \$159,128.72 since 2012. The death benefit that would accrue to her heirs was \$475,989.93. The market value of the securities in the account was \$425,387.19. For the duration of the customer being a client of Claimant, Claimant would meet two to four times a year in person with customer and her husband and review the account statements sent to customer by Allianz. The Arbitrator believe the investment choice of the Allianz Vision New York Deferred Variable Annuity was very suitable for customer, given her expressed desire for a guaranteed income stream and a death benefit to pass on to her heirs. It appears that the “lack of disclosure” accusation stems from a lack of disclosure between customer and her husband regarding his credit card debt and withdrawals, which caused unexpected financial distress and unnecessary penalties rather than a lack of disclosure between Claimant and customer.

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 LPL Financial LLC 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 21, 2020	1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: March 30, 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**

Karen Isabel Bedrosian -  
Richardson

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

**Arbitrator's Signature**

**Karen Isabel Bedrosian - Richardson**

Karen Isabel Bedrosian - Richardson  
Sole Public Arbitrator

**04/15/2021**

Signature Date

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April 16, 2021

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