

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

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In the Matter of the Arbitration Between:

Claimant  
Lauren Christine Frahn

Case Number: 20-02883

vs.

Respondent  
Hennion & Walsh, Inc.

Hearing Site: Jersey City, New Jersey

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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 Lauren Christine Frahn: Jennifer Woods-Burke, Esq., Hennion & Walsh, Inc., Parsippany, New Jersey.

For Respondent Hennion & Walsh, Inc.: Mitra E. Niknam, Esq., Hennion & Walsh, Inc., Parsippany, New Jersey.

**CASE INFORMATION**

Statement of Claim filed on or about: August 31, 2020.

Lauren Christine Frahn signed the Submission Agreement: August 31, 2020.

Statement of Answer filed by Respondent on or about: September 9, 2020.

Hennion & Walsh, Inc. signed the Submission Agreement: September 2, 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 had no objection to Claimant’s expungement request.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1891770, 1877831, 1536137 and compensatory damages in the amount of \$1.00 from Respondent.

In the Statement of Answer, Respondent did not set forth a specific relief request.

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 10, 2021, Claimant advised that the customers in Occurrence Numbers 1891770, 1877831, 1536137 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 February 11, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not oppose the request for expungement.

The customers in Occurrence Numbers 1891770, 1877831, 1536137 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 also reviewed the settlement documentation related to Occurrence Numbers 1891770 and 1536137, considered the amount of payment made to any party to the settlements, and considered other relevant terms and conditions of the settlements. The Arbitrator noted that the settlements were not conditioned on any party to the settlements not opposing the expungement request. Claimant contributed to the settlement amounts, but expungement is still appropriate as the Arbitrator found that the contributions were made because the firm's policy required the registered representative to contribute to any settlement, regardless of the merits of the case or the amount of the settlement.

The Arbitrator noted that the dispute related to Occurrence Number 1877831 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: the pleadings; Claimant's testimony; Claimant's BrokerCheck® Report; the settlement agreements; and other exhibits.

## AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, 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 1536137 from registration records maintained by the CRD for Claimant Lauren Christine Frahn (CRD Number 4565805) with the understanding that, pursuant to Notice to Members 04-16, Claimant Lauren Christine Frahn 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:

The customer complaint at issue related to an arbitration case filed against Claimant and her firm Hennion & Walsh, Inc. (“H&W”). The customers claimed that the bond products at issue were not suitable for the customers’ investment objectives. Claimant’s contemporaneous notes reflect discussions with the customers concerning their investments (this was a non-discretionary account). It appears that the securities would have been suitable for the customers within the context of their overall portfolio and investment objectives based upon the testimonial and documentary evidence presented at the hearing. Respondent affirmatively supported Claimant’s application for expungement. Neither the customers nor their representatives took a position with respect to Claimant’s expungement application and did not request an opportunity to be heard at the hearing.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1877831 from registration records maintained by the CRD for Claimant Lauren Christine Frahn (CRD Number 4565805) with the understanding that, pursuant to Notice to Members 04-16, Claimant Lauren Christine Frahn 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:

The customer complaint at issue related to a written complaint from a customer, who was a registered securities broker at another firm. The customer claimed that certain bonds at issue were not suitable for the customer's investment objectives. The customer's allegations were unsupported by the account documents and investment documents. In addition, it appears that as a result of at least one recommendation made by Claimant, the customer avoided significant losses (in connection with Puerto Rico bonds). This matter was closed after Respondent responded to the customer. No arbitration or other action followed Respondent's response. The customer's account was non-discretionary and there was no allegation that the trades at issues were unauthorized. It appears that the securities at issue were suitable for the customer (a registered securities broker), within the context of her overall portfolio based upon the testimonial and documentary evidence presented at the hearing. The customer also appeared to be an experienced investor. Respondent properly reported the complaint on Claimant's CRD and conducted an internal investigation. Respondent concluded that the allegations were without merit and affirmatively supported Claimant's application for expungement.

3. The Arbitrator recommends the expungement of all references to Occurrence Number 1891770 from registration records maintained by the CRD for Claimant Lauren Christine Frahn (CRD Number 4565805) with the understanding that, pursuant to Notice to Members 04-16, Claimant Lauren Christine Frahn 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:

The customer complaint at issue related to a written complaint received by Respondent from the customer's counsel. The crux of the allegations was that the bond products at issue were not suitable for the customers' investment objectives. Claimant's 'contemporaneous notes, however, reflect discussion with the customers concerning their investments (this was a non-discretionary account). It appears that the securities would have been suitable for the customers within the context of their overall portfolio and investment objectives based upon the testimonial and documentary evidence presented at the hearing. Respondent affirmatively supported Claimant's application for expungement. Neither the customers nor their representatives took a position with respect to Claimant's expungement application and did not request an opportunity to be heard at the hearing.

## 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 Hennion & Walsh, Inc. is assessed the following:

Member Surcharge = \$ 150.00

### Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

December 15, 2020, cancellation requested by the parties = \$ 100.00

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Total Late Pre-Hearing Cancellation Fees = \$ 100.00

The Arbitrator has assessed the total late pre-hearing cancellation fees to Claimant.

### Postponement Fees

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

February 2, 2021, postponement requested by the parties Waived

### 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:

February 2, 2021, cancellation requested by the parties. Waived

### 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) hearing session on expungement request @ \$50.00/session = \$ 50.00  
Hearing: February 11, 2021 1 session

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Total Hearing Session Fees = \$ 50.00

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**

Louis H Miron

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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**

***Louis H Miron***

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Louis H Miron  
Sole Public Arbitrator

**02/26/2021**

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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.

February 26, 2021

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