

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

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In the Matter of the Arbitration Between:

Claimant

Christopher Kinsley Laroche

Case Number: 20-02900

vs.

Respondents

Cetera Advisors LLC and  
First Allied Securities, Inc.

Hearing Site: Houston, Texas

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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. Members

**REPRESENTATION OF PARTIES**

For Claimant Christopher Kinsley Laroche (“Claimant”): Erika Binnix, Esq. and Docthor Kennedy, Esq., AdvisorLaw, LLC, Westminster, Colorado.

Cetera Advisors LLC (“Cetera”) did not appear.

For Respondent First Allied Securities, Inc. (“First Allied”): David Feldstein, Esq., Cetera Financial Group, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: September 1, 2020.

Amended Statement of Claim filed on or about: November 20, 2020.

Claimant signed the Submission Agreements: September 1, 2020 and December 10, 2020.

Cetera did not file a Statement of Answer or sign the Submission Agreement.

Statement of Answer to Amended Statement of Claim filed by First Allied on or about:  
December 15, 2020.

First Allied signed the Submission Agreement: December 10, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted a claim against Cetera seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Amended Statement of Claim, Claimant reasserted the claim seeking expungement, substituting First Allied for Cetera.

In the Statement of Answer, First Allied did not oppose Claimant's expungement request.

### **RELIEF REQUESTED**

In the Statement of Claim and Amended Statement of Claim, Claimant requested expungement of Occurrence Number 2069995, an award of compensatory damages in the amount of \$1.00, and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, First Allied requested denial of Claimant's request for \$1.00 in compensatory damages and an order that all forum costs and fees are assessed against Claimant.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages.

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

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

Cetera did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code").

On November 20, 2020, Claimant filed a Motion to Amend the Statement of Claim ("Motion to Amend"). No response to the Motion to Amend was filed. In an Order dated December 7, 2020, the Arbitrator granted the Motion to Amend.

On February 1, 2021, Claimant advised that the customer in Occurrence Number 2069995 ("Customer") was served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notice"). On February 9, 2021, Claimant filed an Affidavit confirming the Customer was served with the Notice. Claimant also filed a copy of the FedEx tracking information available online for the Notice.

The Arbitrator conducted a recorded, telephonic hearing on March 8, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

First Allied did not participate in the expungement hearing.

The Customer also 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 2069995 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 and Claimant's testimony, exhibits, and BrokerCheck® Report.

### **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 2069995 from registration records maintained by the CRD for Claimant Christopher Kinsley Laroche (CRD Number 4883462) with the understanding that, pursuant to Notice to Members 04-16, Claimant Christopher Kinsley Laroche 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, 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:

The evidence demonstrated that Claimant handled the Customer's account appropriately and professionally. The Customer had 20+ years of investment experience and previously had invested in real estate investment trusts ("REITs"). Claimant recommended the REIT to the Customer based on the Customer's investor profile and objectives. Details of the REIT were fully explained to the Customer, including its high degree of risk and illiquid nature. The Customer executed documents verifying that the investment had been explained to him and that he understood it, including the high degree of risk and possible loss of his investment. By his signature on these documents, the Customer also confirmed that he understood the investment was illiquid. The evidence demonstrated that the Customer had been advised on, and agreed to the details and nature of the REIT, and, as a result, his contentions of mishandling and/or misrepresentation by Claimant are false and clearly erroneous.

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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Cetera and First Allied are each assessed the following:

Member Surcharge Fee = \$ 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 @ \$50.00/session = \$ 50.00  
Pre-Hearing Conference: December 17, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00  
Hearing: March 8, 2021 1 session

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Total Hearing Session Fees = \$ 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**

Lynne M. Gomez

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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**

***Lynne M. Gomez***

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Lynne M. Gomez  
Sole Public Arbitrator

**03/11/2021**

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Signature Date

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March 11, 2021

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