

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

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In the Matter of the Arbitration Between:

Claimant  
Eric Edward Wegner

Case Number: 20-02936

vs.

Respondent  
Parkland Securities, LLC

Hearing Site: Minneapolis, Minnesota

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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 Eric Edward Wegner (“Claimant”): Frances Menzer, Esq. and Dochter Kennedy, Esq., AdvisorLaw LLC, Westminster, Colorado.

For Respondent Parkland Securities, LLC (“Respondent”): Randolph F. Pistor, II, Esq., Parkland Securities, LLC, Ann Arbor, Michigan.

**CASE INFORMATION**

Statement of Claim filed on or about: September 2, 2020.  
Claimant signed the Submission Agreement: September 2, 2020.

Statement of Answer filed on or about: September 18 2020.  
Respondent signed the Submission Agreement: September 18, 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 any allegation of wrongdoing to the extent any is alleged and opposed Claimant’s expungement request.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 1545302, 1670227, 1684223, 1804082, and 1941971; 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, Respondent requested that Claimant's request for \$1.00 in damages be denied and that forum fees be 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.

On March 2, 2021, Claimant advised that the customers related to Occurrence Numbers 1684223, 1804082, and 1941971 (collectively, "Customers") and one of the customers related to Occurrence Number 1545302 ("Customer LA") were served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notice"). Claimant submitted death records and obituaries for the other customer related to Occurrence 1545302 and all of the customers related to Occurrence Number 1670227. On March 8, 2021, Claimant filed an Affidavit confirming that the Customers and Customer LA were served with the Statement of Claim and Notice. Claimant also filed a copy of the FedEx tracking information available online for the Notice.

On April 9, 2021, Customer LA submitted written arguments in opposition to Claimant's request for expungement ("LA's Opposition").

The Arbitrator conducted a recorded, telephonic hearing on April 12, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing.

Counsel for Customer LA participated in the expungement hearing and opposed expungement. The Customers 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 1545302, 1670227, 1684223, 1804082, and 1941971, 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. The Arbitrator noted that Claimant contributed to the settlement amount in Occurrence Numbers 1545302, 1670227, and 1684223 but did not contribute to the settlement amounts in Occurrence Numbers 1804082 and 1941971.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's Exhibits, Claimant's testimony, argument by Customer LA's counsel, LA's Opposition, the settlement agreements, and the pleadings.

## 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. Claimant's request for expungement of Occurrence Numbers 1545302 and 1670227 from his registration records maintained by the CRD is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Numbers 1684223, 1804082, and 1941971 from registration records maintained by the CRD for Claimant Eric Edward Wegner (CRD Number 2044977) with the understanding that, pursuant to Notice to Members 04-16, Claimant Eric Edward Wegner 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:

With respect to Occurrence Number 1684223, the customers were selling real estate and looking for tax deferral. They were referred to Claimant by their certified public accountant ("CPA"). Their CPA was actively involved in the discussions regarding where and how to invest their net sales proceeds, as was a known real estate broker who was also looking for investment options for the customers. The customers did due diligence, including speaking with the syndicator, visiting the actual real estate involved in the tenancy in common ("TIC") investment, consulting with competent advisors, and being afforded the opportunity to review multiple documents relating to the offering, investment, and risks of ownership. The customers initiated a FINRA arbitration more than eight years after the investment, seeking full reimbursement of their initial TIC investment amount. Based on the customers' due diligence activity, including being advised by professionals, the customers' desire for tax deferral, and the length of time before bringing a claim, the allegations are false.

With respect to Occurrence Number 1804082, the customers purchased three separate illiquid investments in real estate between October 2007 and July 2008, after selling off a business for cash. Claimant asserts he had no fiduciary duty to the customers and believes these were single transaction purchases sought for tax deferral reasons. The customers' signed New Account Application establishes that they were experienced investors with significant real estate investment experience. In July 2015, the customers filed a FINRA arbitration against Respondent's predecessor. Claimant was not a named party. The customers made representations and warranties about their knowledge and

sophistication relating to the investments. They understood the risks of the investments. Therefore, the claims are false.

With respect to Occurrence Number 1941971, the customers filed a FINRA arbitration against Respondent's predecessor. Claimant was not a named party. The customers' claim involved the purchase of two TIC investments. The allegations are false, based on the documents signed by the customers in advance of each purchase and the customers' sophistication with prior real estate investments, educational knowledge as a certified public accountant and an architect, knowledge of tax-free exchange transactions (which is what they sought from Claimant), and decision to purchase the second TIC approximately one year after the first TIC was purchased.

3. 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
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*\*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
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#### **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 22, 2020	1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: April 12, 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**

Tracy L. Allen

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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**

***Tracy L. Allen***

Tracy L. Allen  
Sole Public Arbitrator

**04/21/2021**

Signature Date

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April 21, 2021

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