

**Stipulated Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant
LPL Financial LLC

Case Number: 20-03438

vs.

Respondent
Jacob Franco

Hearing Site: Albuquerque, New Mexico

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: Member vs. Associated Person

REPRESENTATION OF PARTIES

For Claimant LPL Financial LLC (“Claimant”): John W. Joyce, Esq., Barrasso Usdin Kupperman Freeman & Sarver, L.L.C., New Orleans, Louisiana.

Respondent Jacob Franco appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: October 5, 2020.

Claimant signed the Submission Agreement: October 5, 2020.

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

CASE SUMMARY

Claimant asserted the following causes of action: breach of the Representative Agreement (“Agreement”); breach of Promissory Note dated June 22, 2015 (“Promissory Note”); and breach of the Term Commitment Note (“Term Note”). Claimant alleged that Respondent failed to repay the balances due pursuant to the Agreement, the Promissory Note, and the Term Note upon the conclusion of Respondent’s employment with Claimant.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Principal balance of \$620.54 due and owing on the fees under the Agreement;
2. Interest at the rate of 5.25% per annum on the fee balance due and owing under the Agreement from May 18, 2020 through the date of payment;
3. Principal balance of \$65,666.67 due and owing under the Promissory Note;
4. Interest at the rate of 4.15% per annum on the balance due and owing under the Promissory Note from the date of default (May 12, 2017) through the date of payment;
5. Principal balance of \$3,295.34 due and owing under the Term Note;
6. Interest at the rate of 4.25% per annum on the balance due and owing under the Term Note from the date of default (May 12, 2017) through the date of payment;
7. Attorneys' fees and filing costs as agreed to under the terms of the Agreement, the Promissory Note, and the Term Note; and
8. Any and all further relief that the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On March 4, 2021, the parties filed a Motion for Entry of a Stipulated Award. On March 18, 2021, the Arbitrator granted the motion.

AWARD

The parties entered into an agreement to present to the Arbitrator a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for entry of a Stipulated Award, and the written stipulation thereto, the Arbitrator grants the motion and enters this Stipulated Award granting the following relief:

- 1) Respondent is liable for and shall pay to Claimant the sum of \$69,582.55 in compensatory damages.
 - a) Respondent is liable and shall pay to Claimant \$10,000.00 on or before March 12, 2021.

- b) Respondent is liable for and shall pay to Claimant the amount of \$59,582.64 with interest at the rate of 5% per annum in 24 equal installments of \$2,613.97, with each installment due and payable on the 15th of every month starting April 15, 2021.
- 2) Any and all claims for relief not specifically addressed herein, including any requests for attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services will retain or collect the non-refundable filing fees* for each claim:

Initial Claim Filing Fee = \$ 1,750.00

**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 event giving rise to the dispute. Accordingly, as a party, Claimant is assessed the following:

Member Surcharge = \$ 1,100.00

Member Process Fee = \$ 2,250.00

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:

Two (2) pre-hearing sessions with a single Arbitrator @ \$450.00/session = \$ 900.00

Pre-Hearing Conferences: February 2, 2021 1 session

March 2, 2021 1 session

Decision on the papers: = \$ 300.00

Total Hearing Session Fees = \$ 1,200.00

The Arbitrator has assessed \$825.00 of the hearing session fees to Claimant.

FINRA Dispute Resolution Services
Arbitration No. 20-03438
Stipulated Award Page 4 of 5

The Arbitrator has assessed \$375.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

ARBITRATOR

F. Guthrie Castle, Jr.

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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

F. Guthrie Castle, Jr.

F. Guthrie Castle, Jr.
Sole Public Arbitrator

03/30/2021

Signature Date

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March 31, 2021

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