

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

William James Williamson, III

Case Number: 20-04181

vs.

Respondents

LPL Financial LLC
Santander Securities LLC

Hearing Site: Jersey City, New Jersey

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 William James Williamson, III: N. Nancy Ghabai, Esq., Ghabai Law Group, LLC, Boston, Massachusetts.

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

For Respondent Santander Securities LLC: Daniel LaPenta, Esq., Santander Securities, LLC, Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: December 28, 2020.

William James Williamson, III signed the Submission Agreement: December 28, 2020.

Statement of Answer filed by Respondent LPL Financial LLC on or about: February 16, 2021.

LPL Financial LLC signed the Submission Agreement: January 7, 2021.

Statement of Answer filed by Respondent Santander Securities LLC on or about: February 5, 2021.

Santander Securities LLC signed the Submission Agreement: March 8, 2021.

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 LPL Financial LLC supported Claimant’s expungement request.

In the Statement of Answer, Respondent Santander Securities LLC did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 2029142; 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 LPL Financial LLC requested that Claimant’s claim for \$1.00 in compensatory damages be denied.

In the Statement of Answer, Respondent Santander Securities LLC requested that no forum fees be assessed against Santander Securities LLC, that all forum fees and costs be assessed solely against the Claimant; and to the extent Claimant is seeking any money damages from Santander Securities LLC, that such relief should be denied.

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 April 30, 2020, Claimant advised that the customer in Occurrence Number 2029142 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 May 20, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

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

Respondent Santander Securities LLC did not participate in the expungement hearing and did not oppose the request for expungement.

The customer 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 also reviewed the settlement documentation related to Occurrence Number 2029142, 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 and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's testimony and hearing exhibits.

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 2029142 from registration records maintained by the CRD for Claimant William James Williamson, III (CRD Number 2391430) with the understanding that, pursuant to Notice to Members 04-16, Claimant William James Williamson, III 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:

Claimant's testimony, which was supported by the documentary evidence, substantiates the claim that the allegations were clearly erroneous and false. The case involved two single premium annuities. Prior to selling the products in 2012 and 2015, Claimant met weekly with the customer, his wife, and daughter. They discussed several types of investments. The customer had lost a lot of money in the great recession and did not want any investment where the value fluctuated. Prior to the first sale of a single premium annuity, the customer filled out a risk profile questionnaire (Exhibit 2), a new account form (Exhibit 3), was given two annuity illustrations (Exhibits 4 & 5) and a summary disclosure form (Exhibit 6). These documents were discussed and explained to the customer and his wife and daughter. They asked questions and explanations were provided. The fixed income annuity had guaranteed monthly payments, but not guaranteed returns (because they were made during the life of the insured party and ended at death). The customer signed the issuers contact summary & disclosure form as well as the firm's annuity disclosure form (Exhibits 7 & 8) prior to the purchase. The first annuity was purchased in 2012 and a second was purchased in 2015. Claimant changed firms, from Santander Securities LLC ("Santander") to LPL Financial LLC, in 2017. In May, 2018, the customer's

daughter filed an oral complaint with Santander claiming that there were misrepresentations about the annuities when purchased. Santander investigated and issued a written detailed denial of the claims in July, 2018 (Exhibit 9). In March 2019, the customer started a FINRA arbitration against Santander & LPL Financial LLC (Exhibit10). Claimant was not named as a party in the arbitration. Both firms denied the claims (Exhibits 11 & 12), but settled the claim for \$90,000.00. Claimant was not consulted about the settlement and was not asked to pay any portion of it. The settlement agreement, (Exhibit 13) was not approved by Claimant. The record shows that Claimant acted properly in explaining the products prior to the purchases and there was no complaint about them during the six years after the purchases. This is the only customer complaint against Claimant in his 28 years in the industry. The record clearly shows that the complaint should be expunged.

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:

Expungement Filing Fee = \$ 1,575.00

**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 person at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents are each assessed the following:

Member Surcharge = \$ 1,900.00

Member Process Fee = \$ 3,750.00

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 the Arbitrator @ \$1,125.00/session = \$ 1,125.00
Pre-Hearing Conference: April 12, 2021 1 session

One (1) hearing session on expungement request @ \$1,125.00/session = \$ 1,125.00
Hearing: May 20, 2021 1 session

Total Hearing Session Fees = \$ 2,250.00

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

Michael H. DuBoff

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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

Michael H DuBoff

Michael H. DuBoff
Sole Public Arbitrator

06/02/2021

Signature Date

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June 02, 2021

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