

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Richard Alan Hellberg

Case Number: 21-00536

vs.

Respondent
Honor, Townsend & Kent, LLC

Hearing Site: Philadelphia, Pennsylvania

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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Richard Alan Hellberg: Dochter Kennedy, MBA, J.D., and Harris Freedman, Esq. AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Honor, Townsend & Kent, LLC: George D. Fagan, Esq., and Reagan R. Wilty, Esq., Leake & Andersson LLP, New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed on or about: February 26, 2021.

Statement of Answer to the Counterclaim filed on or about: June 8, 2021.

Richard Alan Hellberg signed the Submission Agreement: February 26, 2021.

Statement of Answer and Counterclaim filed by Respondent on or about: April 28, 2021.

Honor, Townsend & Kent, LLC signed the Submission Agreement: March 12, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of Form U5 termination entry based on the defamatory nature of the entry in Claimant's Central Registration Depository ("CRD") records.

In the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In the Counterclaim, Respondent asserted the following causes of action: breach of consulting agreement and indemnification.

In the Statement of Answer to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 2065363 and 2065264, and those relevant portions of the Form U4, from Claimant's CRD record on the basis that the statement is defamatory in nature and tends to mislead, to include: expungement of the Reason for Termination explanation on Claimant's CRD; amendment of the answers to questions 7B and 7F(1) on Claimant's Form U5; deletion of the Internal Review and Termination Disclosure Reporting Pages accompanying Occurrence Numbers 2065363 and 2065264; 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 and Counterclaim, Respondent requested that the Arbitrator deny Claimant's request for expungement; dismiss all of Claimant's claims with prejudice; enter an award ordering Claimant pay Respondent all direct and/or consequential damages, plus interest, costs, and attorneys' fees it has incurred due to Claimant's breach of contract and/or Respondent's defense of Claimant's expungement request; and any and all other relief that the Arbitrator deems just and appropriate.

In the Statement of Answer to the Counterclaim, Claimant requested that the Counterclaim be dismissed.

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.

By Stipulation dated June 30, 2021, the parties agreed to proceed with a single arbitrator in this matter.

At the start of the evidentiary hearing, the parties advised the Arbitrator of their agreement to enter into a Stipulated Award with respect to Respondent's Counterclaim. The parties stipulated that: Claimant agreed to and shall pay and deliver to Respondent the sum of \$7,250.00 on or before January 9, 2022. In the event that Claimant fails to timely pay Respondent the amount stated above, Claimant agrees to and shall also pay Respondent the sum of \$21,750.00, which amount represents three times the \$7,250.00 sum, plus interest at the rate of 5% per annum until the \$21,750.00 amount is paid in full, plus any attorney's fees and costs that may hereafter be paid or incurred by or on Respondent's behalf to collect, prosecute, execute and/or enforce this Stipulation against Claimant.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the

parties' agreement to enter into a Stipulated Award with respect to the Counterclaim, and any post-hearing submissions, the Arbitrator enters the Stipulated Award and has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. Claimant's request for expungement of his registration records maintained by the CRD is denied.
3. Pursuant to the parties' stipulation, Claimant is liable for and shall pay to Respondent the sum of \$7,250.00 in compensatory damages on or before January 9, 2022.
4. Pursuant to the parties' stipulation, in the event that Claimant fails to timely pay Respondent the amount described in the preceding paragraph, Claimant agrees to and shall also pay to Respondent the sum of \$21,750.00, which amount represents three times the sum described in the preceding paragraph, plus interest at 5% per annum until the \$21,750.00 amount is paid in full and plus any attorneys' fees and costs that may hereafter be paid or incurred by or on Respondent's behalf to collect, prosecute, execute and/or enforce this Award against Claimant.
5. Any and all claims for relief not specifically addressed herein, including any requests for attorneys' fees, 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
Counterclaim Filing Fee	= \$	1,700.00

**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 Hornor, Townsend & Kent, LLC is assessed the following:

Member Surcharge	= \$	150.00
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 @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: June 25, 2021	1 session	
Two (2) hearing sessions @ \$450.00/session	= \$	900.00
Hearings: December 10, 2021	2 sessions	
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Total Hearing Session Fees	= \$	1,350.00

The Arbitrator has assessed \$900.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$450.00 of the hearing session fees to Respondent.

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

ARBITRATOR

Jim Geiger

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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

Jim Geiger

Jim Geiger
Sole Public Arbitrator

01/06/2022

Signature Date

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January 07, 2022

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