

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Kristina Frenier Connell

Case Number: 21-00546

vs.

Respondent

Grove Point Investments, LLC

Hearing Site: Wilmington, Delaware

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 Kristina Frenier Connell: Dochter Kennedy, MBA, J.D., and Harris Freedman, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Grove Point Investments, LLC: Matt Winterhalter, Esq., Grove Point Investments, LLC, Rockville, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: March 1, 2021.

Kristina Frenier Connell signed the Submission Agreement: March 1, 2021.

Statement of Answer filed by Respondent on or about: March 9, 2021

Grove Point Investments, LLC signed the Submission Agreement: March 9, 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 took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 2074781 and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that no damages be assessed against Respondent and that all forum fees be assessed to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

By correspondence dated March 17, 2021, the parties agreed, pursuant to Rule 13401(c) of the Code of Arbitration Procedure (“Code”), to proceed with a single arbitrator for this matter.

By correspondence dated May 21, 2021, Respondent advised that its named changed from H. Beck, Inc. to Grove Point Investments, LLC and requested that the record reflects the change.

On July 7, 2021, Claimant advised that the customers in Occurrence Number 2074781 were served with the Statement of Claim and notice of the date and time of the expungement hearing. On July 12, 2021, Claimant filed an Affidavit confirming that the customers were 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 October 6, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Respondent participated in the expungement hearing.

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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 2074781, 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 BrokerCheck® Report, the pleadings, Claimant’s credible testimony, and the 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 2074781 from registration records maintained by the CRD for Claimant Kristina Frenier Connell (CRD Number 5402280) with the understanding that, pursuant to Notice to Members

04-16, Claimant Kristina Frenier Connell 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:

At the time of the investment in September 2019, the variable rate annuity was carefully explained to the customers as a long-term investment with penalties for early withdrawal of funds. The customers signed the annuity and suitability form representing that they understood the risks and understood that annuities were long-term investments. At the time of the investments, the customers had no short-term need for the funds and the investment fit their investor profile. The COVID crisis caused a short-term drastic decline in the value of the annuity and the customers requested their money back. Respondent settled with the customers without any contribution from Claimant. The annuity has since recovered and been a very lucrative long-term investment. If the customers had kept the annuity, they would have seen appreciation in excess of 10%. Claimant was not misleading as to the investment which was conservative and well suited for the customers. The expungement of this false and misleading claim would have no adverse effect on investor protection and would not harm the integrity of the BrokerCheck system. To have this clearly erroneous claim on Claimant’s BrokerCheck® Report harms the reputation of a responsible broker and does nothing to protect the investing public.

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	= \$ 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 firm that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$	1,900.00
Member Process Fee	= \$	3,750.00

Discovery-Related Motion Fee

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision	= \$	200.00
--	------	--------

Claimant submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees	= \$	200.00
-------------------------------------	------	--------

The Arbitrator has assessed the total discovery-related motion fees to Claimant.

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 @ \$1,125.00/session	= \$	1,125.00
Pre-Hearing Conference: May 21, 2021	1 session	

One (1) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing: October 6, 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

Linda J. Baer

-

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

Linda J. Baer

Linda J. Baer
Sole Public Arbitrator

10/15/2021

Signature Date

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.

October 15, 2021

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