Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Elizabeth Hope

Case Number: 21-01347

vs.

Respondent
LPL Financial LLC

Hearing Site: Jacksonville, Florida

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: Customer vs. Member

This case was administered under the Special Proceeding option for simplified cases.

REPRESENTATION OF PARTIES

Claimant Elizabeth Hope appeared pro se.

For Respondent LPL Financial LLC: Matthew Bohenek, Esq., LPL Financial LLC, Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: May 24, 2021.
Elizabeth Hope signed the Submission Agreement: May 24, 2021.

Statement of Answer filed by Respondent on or about: July 19, 2021.
LPL Financial LLC signed the Submission Agreement: June 24, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the causes of action of omission of facts and failure to disclose. The causes of action relate to Claimant's investment in a business development corporation called the Franklin Square Energy & Power.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of $46,000.00 plus interest.

In the Statement of Answer, Respondent requested: denial of Claimant's claims in all respects; assessment of all FINRA fees and costs against Claimant; preparation costs; travel expenses; attorneys' fees; expert witness fees; and such other further and general relief to which it may have been entitled.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about September 12, 2021, Claimant filed with FINRA Dispute Resolution Services a Notice of Dismissal with Prejudice. Accordingly, the Arbitrator did not make any determination with respect to Claimant's relief requests in the Statement of Claim.

On September 23, 2021, FINRA closed the case based on Claimant's Notice of Dismissal with Prejudice. On September 24, 2021, Respondent filed with FINRA Dispute Resolution Services a notice of its intent to seek expungement on behalf of Unnamed Party Adam Provance. On November 28, 2021, Respondent filed a Motion to Re-Open the case in which it asserted, among other things, that it had not been served with Claimant's Notice of Dismissal which would have prompted Respondent to notify FINRA Dispute Resolution Services of its intent to seek expungement prior to the closure of the case; that the re-opening of the case would not prejudice any party; and that Claimant had agreed to the re-opening of the case, in accordance with Rule 12905 of the Code of Arbitration Procedure (the "Code".) On October 5, 2021, the Arbitrator filed an Order in which she granted Respondent's Motion to Re-Open the Case.

On November 8, 2021, Respondent filed a request for expungement, on behalf of Unnamed Party Adam Provance, of all references to this matter from Central Registration Depository ("CRD") registration records. On November 10, 2021, Claimant advised that she would not be filing a response to Respondent's request for expungement, nor would she be attending the expungement hearing, once scheduled. Claimant further advised that she fully supported Respondent's request for expungement on behalf of Unnamed Party Adam Provance.

The Arbitrator conducted a recorded, telephonic hearing on December 21, 2021, so the parties could present oral argument and evidence on Respondent's request for expungement. As previously advised, Claimant elected not to participate in the expungement hearing. The Arbitrator found that Claimant received sufficient notice of the expungement hearing.

The Arbitrator reviewed Unnamed Party Adam Provance's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation, 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 request for expungement and that Unnamed Party Adam Provance did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Exhibit 2, Alternative Investment Purchase section 10. Product Specific Investor Representation, Business Development Company (BDC); Exhibit 3, The Subscription Agreement; Exhibits 4 & 5: Claimant's financial statements; Exhibit 6: e-mails refencing discussions of the product at issue. Exhibit 9: e-mail referencing the transmission of information on this product and the attached statement of performance of her holdings including the one at issue. Exhibit 10: e-mail referencing the transmission of information; Exhibit 11: e-mail and attached statement of Portfolio Appraisal by Asset Class; Exhibit 12: email with statement & Portfolio Appraisal by Asset Class attached; Exhibits 13,14 and 15: and additional e-mails with attached documents.

AWARD

After considering the pleadings, the testimony and evidence presented at the 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 the above-captioned arbitration (Occurrence Number 2136908) from registration records maintained by the CRD for Unnamed Party Adam Provance (CRD Number 5555564) with the understanding that, pursuant to Notice to Members 04-16, Unnamed Party Adam Provance 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 12805 of the 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:

   Claimant stated she did not receive information about the illiquidity of the investment at issue and did not receive statements documenting the decrease in value. Unnamed Party Adam Provance demonstrated this to be false with the documents and testimony he provided.

   The Alternative Investment Purchase section 10. Product Specific Investor Representation, Business Development Company (BDC) outlines the liquidity limitations of the product at issue. Unnamed Party Adam Provance testified that he went over this section thoroughly, as well as others, with Claimant before it was signed.

The Subscription Agreement also discloses liquidity information. Unnamed Party Provance testified that it was his practice to go over this type of information before having a customer sign and that he did so in this instance.

Also, Claimant's financial statements clearly reflected the investment at issue as well at its value.

Unnamed Party Adam Provance appeared to be in frequent touch with Claimant providing relevant information. Additionally, Unnamed Party Adam Provance testified that Claimant knew the amounts of cash available to her from this investment and would call to have that cash deposited.

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	=$ 600.00
Expungement Filing Fee	=$ 1,600.00

*The filing fee is made up of a non-refundable and a refundable portion.

FINRA Dispute Resolution Services previously deferred Claimant's non-refundable filing fee of $150.00. Upon conclusion of the matter, the Arbitrator determined to waive the fee.

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 LPL Financial LLC is assessed the following:

Member Surcharge	=$ 2,000.00
Member Process Fee	=$ 3,850.00

Late Pre-Hearing Cancellation Fees
Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

September 13, 2021, settled by the parties	=$ 100.00
Total Late Pre-Hearing Cancellation Fee	=$ 100.00

The Arbitrator has assessed $50.00 of the late pre-hearing cancellation fee to Respondent.

The Arbitrator has waived $50.00 of the late pre-hearing cancellation fee.

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) hearing session on expungement request @ $1,150.00/session	=$ 1,150.00
Hearing: December 21, 2021 1 session	
Total Hearing Session Fee	=$ 1,150.00

The Arbitrator has assessed the entire hearing session fee to Respondent.

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

ARBITRATOR

Mimi B. Osiason - 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

Mimi B. Osiason **12/22/2021**

Mimi B. Osiason
Sole Public Arbitrator

Signature Date

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December 23, 2021
Date of Service (For FINRA Dispute Resolution Services use only)