

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
LPL Financial, LLC

Case Number: 21-01670

vs.

Respondent  
Scott Douglas Williams

Hearing Site: Nashville, Tennessee

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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

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant LPL Financial, LLC: David J. Sensenig, Esq. and Andrew R. Park, Esq., Park Sensenig, LLC, Richmond, Virginia.

Respondent Scott Douglas Williams appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: June 30, 2021.

LPL Financial, LLC signed the Submission Agreement: June 30, 2021.

Statement of Answer filed by Respondent on or about: October 29, 2021.

Scott Douglas Williams did not sign the Submission Agreement.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: breach of Promissory Note dated February 27, 2017 (“Note 1”); breach of Term Commitment Note dated March 7, 2017 (“Note 2”); breach of Letter Agreement dated June 17, 2019 (“Letter Agreement”); and breach of Representative Agreement dated February 14, 2017 (“Representative Agreement”). The causes of action relate to Respondent’s alleged failure and

refusal to honor his obligations pursuant to Note 1, Note 2, the Letter Agreement, and the Representative Agreement.

In the Statement of Answer, Respondent did not address the claims and allegations contained in the Statement of Claim.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: the principal balance due and owing under Note 1 as of July 10, 2018 (\$80,000.00); interest at a rate of 4.04% per annum on the balance due and owing under Note 1 from the date of default (July 10, 2018) through the date of payment; the principal balance due and owing under Note 2 as of July 10, 2018 (\$15,945.29); interest at a rate of 5.50% per annum on the balance due and owing under Note 2 from the date of default (July 10, 2018) through the date of payment; the balance owed under the Letter Agreement as of the date of this filing (\$14,879.90); the balance owed under the Representative Agreement for fees (\$530.00); interest at a rate of 7% per annum on the balance due and owing under the Representative Agreement from the date of default through the date of payment; the costs of collection and of this proceeding, including attorneys' fees, as agreed to under the terms of Note 1, Note 2, and the Representative Agreement; post-award interest; and any and all further relief that the Panel deems just and proper.

In the Statement of Answer, Respondent requested that his entire record outside of Respondent be considered.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On October 29, 2021, Respondent emailed FINRA staff with what he later confirmed was intended as his Statement of Answer. Claimant objected to the Statement of Answer, insofar as it contained information concerning confidential settlement discussions. The Panel accepted Respondent's email submission as his Statement of Answer but directed him to remove or redact information related to the settlement discussions. Respondent resubmitted his Statement of Answer with the settlement discussions removed, and also stated he would not be participating in the Arbitration.

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, having answered the claim, is bound by the determination of the Panel on all issues submitted.

The Claim Notification letter notified Respondent that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent failed to register for the DR Portal.

Respondent did not appear at the evidentiary hearing. Upon review of the file, the Panel determined that Respondent received due notice of the hearing and that arbitration of the matter would proceed without Respondent present, in accordance with the Code.

During the evidentiary hearing on March 16, 2022, the Panel considered Respondent's Statement of Answer. The Panel accepted it as Respondent's Statement of Answer, but determined it was not relevant or proper because it did not address the allegations of the Statement of Claim.

The Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$80,000.00 in compensatory damages for the balance due under Note 1.
2. Respondent is liable for and shall pay to Claimant the sum of \$15,945.29 in compensatory damages for the balance due under Note 2.
3. Respondent is liable for and shall pay to Claimant the sum of \$14,879.90 in compensatory damages for the balance due under the Letter Agreement.
4. Respondent is liable for and shall pay to Claimant the sum of \$320.00 in compensatory damages for the fees owed under the Representative Agreement.
5. Respondent is liable for and shall pay to Claimant the sum of \$12,075.11 in pre-award interest on Note 1, for the period of July 10, 2018 through March 16, 2022.
6. Respondent is liable for and shall pay to Claimant the sum of \$3,276.54 in pre-award interest on Note 2, for the period of July 10, 2018 through March 16, 2022.
7. Respondent is liable for and shall pay to Claimant post-award interest on the compensatory damages award for Note 1 at the rate of 4.04% per annum from March 17, 2022 through and including the date the balance is paid in full.
8. Respondent is liable for and shall pay to Claimant post-award interest on the compensatory damages award for Note 2 at the rate of 5.50% per annum from March 17, 2022 through and including the date the balance is paid in full.
9. Respondent is liable for and shall pay to Claimant the sum of \$7,533.50 in attorneys' fees pursuant to the terms of Note 1, Note 2, and the Representative Agreement.
10. Respondent is liable for and shall pay to Claimant the sum of \$84.18 in costs.

11. Respondent is liable for and shall pay to Claimant the sum of \$1,000.00 as reimbursement for the non-refundable portion of the claim filing fee previously paid by Claimant to FINRA Dispute Resolution Services.

12. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and treble damages, are denied.

**FEES**

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

**Filing Fees**

FINRA Dispute Resolution Services assessed a filing fee\* for each claim:

Initial Claim Filing Fee = \$ 2,125.00

*\*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 = \$ 1,700.00  
Member Process Fee = \$ 3,250.00

**Hearing Session Fees and Assessments**

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session = \$ 1,125.00  
Pre-Hearing Conference: November 1, 2021 1 session

One (1) hearing session with the Panel @ \$1,125.00/session = \$ 1,125.00  
Hearing: March 16, 2022 1 session

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Total Hearing Session Fees = \$ 2,250.00

The Panel has assessed \$562.50 of the hearing session fees to Claimant.

The Panel has assessed \$1,687.50 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Theodore Haynes	-	Public Arbitrator, Presiding Chairperson
Nancy King Crawford	-	Public Arbitrator
Michael Edward Collins	-	Non-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.

**Concurring Arbitrators' Signatures**

***Theodore Haynes***

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Theodore Haynes  
Public Arbitrator, Presiding Chairperson

**03/18/2022**

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Signature Date

***Nancy King Crawford***

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Nancy King Crawford  
Public Arbitrator

**03/18/2022**

\_\_\_\_\_  
Signature Date

***Michael Edward Collins***

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Michael Edward Collins  
Non-Public Arbitrator

**03/18/2022**

\_\_\_\_\_  
Signature Date

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March 21, 2022

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