

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Laurence Brown
Brown Family Maintenance Trust
Brown Revocable Trust
Donald M Brown Income Provider Trust
Robert Mecca
Janice Mecca

Case Number: 22-01908

vs.

Respondent

Ages Financial Services, Ltd.

Hearing Site: Boston, Massachusetts

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: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Laurence Brown, Brown Family Maintenance Trust, Brown Revocable Trust, Donald M Brown Income Provider Trust, Robert Mecca, and Janice Mecca (collectively, “Claimants”): Scott L. Silver, Esq., Silver Law Group, Coral Springs, Florida.

For Respondent Ages Financial Services, Ltd. (“Respondent”): Kirsten Patzer, Esq., Prince Lobel Tye LLP, Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: August 23, 2022.

Claimants signed the Submission Agreement: August 23, 2022.

Statement of Answer filed by Respondent on or about: November 21, 2022.

Respondent signed the Submission Agreement: November 28, 2022.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: breach of fiduciary duty; negligence and negligent misrepresentation; breach of contract; and failure to supervise. The causes of action relate to L Bonds issued by GWG Holdings, Inc. ("GWG") and investments in United Realty Capital Trust.

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, Claimants requested: unspecified compensatory damages; interest at the legal rate from the date of purchase; punitive damages; costs; and such other relief as is just and proper.

In the Statement of Answer, Respondent requested: that the Panel deny Claimants' Statement of Claim in its entirety, including all requests for relief and claims for damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

During the hearing, Respondent made a Motion to Dismiss Claimant Janice Mecca as no evidence was presented regarding her claim, and she was absent from the hearing. After due deliberation, the Panel granted Respondent's Motion to Dismiss Claimant Janice Mecca on the grounds that no evidence was provided regarding her claim.

The Panel has provided an explanation of the decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

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 Claimants Laurence Brown, the Donald M Brown Income Provider Trust, the Brown Revocable Trust, and the Brown Family Maintenance Trust the sum of \$209,180.41 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant Robert Mecca the sum of \$36,933.12 in compensatory damages.

3. Respondent is liable for and shall pay to Claimants interest on the above-stated sums at the rate of 12% per annum from the August 23, 2022, through and including the date of the award.
4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, are denied.

ARBITRATORS' EXPLAINED DECISION

The investments were inappropriate for the Brown family. Respondent did not properly inform Brown about the risks and did not discuss alternatives that would have better protected the trusts. Mecca stated that he was not properly informed about the degree of risk involved in the investment in GWG. The investments were not discussed in terms of quantitative suitability in relation to Claimants' overall portfolios. There was no follow-up after the letters were sent regarding the illiquid investments constituting greater than 10% of Claimants' overall portfolios.

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	=\$ 1,600.00
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**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 is assessed the following:

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

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 Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,150.00/session	=\$ 1,150.00
Pre-Hearing Conference: December 15, 2022 1 session	

Ten (10) hearing sessions @ \$1,150.00/session	=\$ 11,500.00
Hearings:	
October 2, 2023	2 sessions
October 3, 2023	2 sessions
October 4, 2023	2 sessions
October 5, 2023	2 sessions
October 6, 2023	2 sessions

Total Hearing Session Fees = \$ 12,650.00

The Panel has assessed \$6,325.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$6,325.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Andrea J. Goldman	-	Public Arbitrator, Presiding Chairperson
Peter M Cosel	-	Public Arbitrator
Stephen James McLaughlin	-	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

Andrea J. Goldman

Andrea J. Goldman
Public Arbitrator, Presiding Chairperson

11/03/2023

Signature Date

Peter M Cosel

Peter M Cosel
Public Arbitrator

11/03/2023

Signature Date

Stephen James McLaughlin

Stephen James McLaughlin
Public Arbitrator

11/03/2023

Signature Date

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November 06, 2023

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