


NEWS REGULATION AND LEGISLATION

Finra arbitrators hit broker with rare penalty in midst of ongoing customer complaint



Lars Soreide

“The arbitration panel felt that [the advisor] was disrespecting the process,” the clients' attorney said.

DEC 12, 2024 By Bruce Kelly 

A former financial advisor who was barred from the industry in 2023 and is in the middle of at least one contentious Finra industry arbitration involving *alternative investments* and *private placements* was ordered last month to pay \$100,000 to clients, even though the case has not yet been decided.

The unusual penalty came after the clients’ attorney over the summer alleged the ex-advisor, Randall Skrabonja, had blown off appearances and requests for information pertinent to the clients’ lawsuit.

Skrabonja “failed to appear at the hearing after being duly notice and failed to appear at the hearing on the motion to compel on Oct. 8,” the Finra order read.

The move to penalize a financial advisor by the three arbitrators, under the aegis of Finra Dispute Resolution Inc., in the middle of an ongoing hearing was said to be an uncommon way to penalize an advisor, industry lawyers noted.

“The arbitration panel felt that [Skrabonja] was disrespecting the process,” said Lars Soreide, the attorney for the plaintiffs, Edward and Beth Webster. “He didn’t even jump on a call, and that annoyed them to no end.”

“I’ve been doing this for 16 years, handled over 600 Finra arbitration claims, and I’ve never seen this,” Soreide said.

The arbitration involving Skrabonja, Green Vista Capital (a former broker-dealer where he was registered for close to four years), and a firm executive is ongoing. The Websters' claim, with proposed damages of \$1 million, was filed last year and alleges breach of fiduciary duty, violation of Finra rules, breach of contract and negligence, and negligent supervision, according to Skrabonja’s *BrokerCheck report*.

Reached by phone on Thursday, Skrabonja was asked if he was going to pay the \$100,000 penalty, which has a deadline of Dec. 20, according to Finra Dispute Resolutions Services order.

“Thanks for the call,” said Skrabonja, who did not answer any further questions about the matter.

It’s not clear whether Finra Dispute Resolution Services, which oversees hundreds of arbitration claims regarding financial advisors and broker-dealers annually, decided recently to take a tougher stance on firms and brokers that are less than forthcoming in making an appearance at hearings or producing documents and emails during arbitration hearings.

Skrabonja, a 33-year veteran of the brokerage industry who worked with 13 firms, was barred from the securities business by Finra in June 2023 as part of a settlement in which the regulator found that he refused to provide documents and information requested by Finra linked to its investigation surrounding his termination a broker-dealer.

According to his BrokerCheck report, Green Vista “discharged” Skrabonja in May 2023 for selling away without the firm’s approval.

Newsletters

Subscribe for original insights, commentary and analysis of the issues facing the financial advice community, from the InvestmentNews team.

SPONSORED

Three key trends that will drive advisors’ planning in 2025

AssetMark Group CEO explains why the great wealth transfer, succession planning, and personalization will be key for advisors in the new year.

SPONSORED

Why RIAs might consider investing more in trust services

A trust delivery model not only increases the value of an advisor and a firm but is also a natural addition to any firm’s succession plan.

Latest News



Rethinking Charitable Giving