

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondents

Hearing Site: Minneapolis, Minnesota

Walnut Street Securities, Inc.,
Next Financial Group, Inc., and
The O.N. Equity Sales Company

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

For Claimant [REDACTED] ("Claimant"): Owen Harnett, Esq., AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Walnut Street Securities, Inc. n/k/a Cetera Advisor Networks LLC ("Walnut"): Jeremy Carr, Esq., Cetera Financial Group, El Segundo, California.

For Respondent Next Financial Group, Inc. ("Next"): John Unger, Esq., NEXT Financial Group, Inc., Houston, Texas.

For Respondent The O.N. Equity Sales Company ("ONESCO"): Mark E. Elsener, Esq., Ohio National Financial Services, Inc., Cincinnati, Ohio.

CASE INFORMATION

Statement of Claim filed on or about: October 27, 2016.
Supplemental Pleading filed on or about: June 12, 2017.
Amended Statement of Claim filed on or about: June 15, 2017.
Claimant signed the Submission Agreement: October 27, 2016.

Statement of Answer filed by Walnut on or about: December 2, 2016.
First Amended Statement of Answer filed by Walnut on or about: January 2, 2017.
Second Amended Statement of Answer (to Amended Statement of Claim) filed by Walnut on or about: June 22, 2017.
Walnut signed the Submission Agreement: April 19, 2017.

Statement of Answer filed by Next on or about: December 5, 2016.
Next signed the Submission Agreement: December 5, 2016.

Statement of Answer filed by ONESCO on or about: December 8, 2016.
ONESCO did not sign the Submission Agreement.

CASE SUMMARY

Claimant asserted the following cause of action: expungement. The cause of action related to Claimant's allegations that information from ten underlying customer complaints involving customers ("Underlying Complaints") involving securities, including variable annuities, the Provident Royalties, LLC Shale 19 Preferred Stock Ltd partnership, life insurance products, and a unit investment trust, should no longer remain in his registration records.

Unless specifically admitted in the Second Amended Statement of Answer, Walnut denied the allegations made in the Amended Statement of Claim.

Unless specifically admitted in the Statement of Answer, Next denied the allegations made in the Statement of Claim.

In the Statement of Answer, ONESCO took no position with regard to Claimant's request for expungement relief.

RELIEF REQUESTED

In the Amended Statement of Claim, Claimant requested expungement of ten customer disputes (Occurrence Numbers [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED]) from his registration records maintained by the Central Registration Depository ("CRD"), in addition to \$1.00 in compensatory damages.

In the Second Amended Statement of Answer, Walnut requested that a decision be rendered in conformity with Rule 2080, that Claimant's request for compensatory damages be denied, and that all costs be assessed against Claimant.

In the Statement of Answer, Next did not oppose Claimant's request for expungement. Next requested that Claimant's request for compensatory damages be denied and that all costs be assessed against Claimant.

In the Statement of Answer, ONESCO requested that a decision be rendered in conformity with Rule 2080, that Claimant's request for compensatory damages be denied, and that all costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

Claimant filed additional exhibit 50a on or about February 7, 2017.

Claimant filed an Agreement between Claimant and Respondent ONESCO ("Agreement") dated February 20, 2017. In the Agreement, the parties stipulated to the following terms:

- Claimant will not be pursuing claims or damages against ONESCO.
- ONESCO will not be responsible for any fees or costs incurred in connection with this claim.
- Claimant agrees that no liability will be imputed against ONESCO in connection with this claim.
- ONESCO does not oppose Claimant's request for expungement of customer disputes, Occurrence Numbers [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED].
- Claimant and ONESCO stipulate that ONESCO does not intend to appear at the expungement hearing.

The Arbitrator conducted a recorded telephonic hearing on June 12, 2017, so the parties could present oral argument and evidence on Claimant's request for expungement.

Walnut and Next participated in the expungement hearing and did not contest the request for expungement. ONESCO did not participate in the expungement hearing and did not contest the request for expungement.

The customer involved in Occurrence Number [REDACTED] participated in the expungement hearing. The other customers from the Underlying Complaints did not participate in the expungement hearing. The customers involved in Occurrence Numbers [REDACTED], [REDACTED], [REDACTED], and [REDACTED] submitted responses to Claimant's request for expungement.

Claimant filed a post-hearing submission on or about August 8, 2017.

AWARD

After considering the pleadings, the responses from the customers in the Underlying Complaints, the testimony, the evidence presented at the hearing, and the post-hearing submission, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. [REDACTED] claims are denied in their entirety.
2. [REDACTED] request for expungement of his CRD records is denied.
3. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
4. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	=\$ 50.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as Claimant's former firms, Respondents Next Financial Group, Inc., The O.N. Equity Sales Company, and Walnut Street Securities, Inc. are each assessed the following:

Walnut Street Securities, Inc.

Member Surcharge	=\$ 150.00
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Next Financial Group, Inc.

Member Surcharge	=\$ 150.00
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The O.N. Equity Sales Company

Member Surcharge	=\$ 150.00
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Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

April 13, 2017, postponement by Claimant	=\$ 50.00
Total Postponement Fees	=\$ 50.00

The Panel has assessed \$50.00 of the postponement fees to Claimant [REDACTED]
[REDACTED]

Discovery-Related Motion Fee

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

Two (2) decisions on discovery-related motions on the papers with one (1) arbitrator @ \$200.00/decision	=\$ 400.00
Total Discovery-Related Motion Fees	=\$ 400.00

The Panel has assessed \$400.00 of the discovery-related motion fees to Claimant
[REDACTED].

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

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$ 50.00
Pre-hearing conference: March 1, 2017 1 session	
One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: June 12, 2017 1 session	
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Total Hearing Session Fees	= \$ 100.00

The Arbitrator has assessed \$100.00 of the hearing session fees to Claimant [REDACTED]
[REDACTED]

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

ARBITRATOR

Brett W. Olander

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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

/s/ Brett W. Olander

Brett W. Olander
Sole Public Arbitrator

08/25/17

Signature Date

08/25/17

Date of Service (For FINRA Office of Dispute Resolution office use only)

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One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$ 50.00
Pre-hearing conference: March 1, 2017	1 session
One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: June 12, 2017	1 session
Total Hearing Session Fees	= \$ 100.00

The Arbitrator has assessed \$100.00 of the hearing session fees to Claimant [REDACTED]

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

ARBITRATOR

Brett W. Olander

- 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



Brett W. Olander
Sole Public Arbitrator

8-25-2017

Signature Date

Date of Service (For FINRA Office of Dispute Resolution office use only)