

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

████████████████████

Case Number: ██████████

vs.

Respondent

UBS Financial Services Inc.

Hearing Site: Los Angeles, California

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████ (“Claimant”): Armin Sarabi, Esq., AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent UBS Financial Services Inc. (“Respondent”): Hillary A. Darnell, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed on or about: August 31, 2017.
Claimant signed the Submission Agreement: September 1, 2017.

Statement of Answer filed by Respondents on or about: October 23, 2017.
Respondent signed the Submission Agreement: September 7, 2017.

CASE SUMMARY

Claimant asserted a claim seeking expungement of a customer complaint, occurrence number ██████████ (“Underlying Complaint”), from his Central Registration Depository (“CRD”) record.

In the Statement of Answer, Respondent advised that it did not oppose Claimant’s request for expungement but took the position that Claimant is not entitled to an award of compensatory damages.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of the Underlying Complaint from his CRD record pursuant to

- FINRA Rule 2080(b)(1)(A), as the claims, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of the Underlying Complaint from his CRD record pursuant to FINRA Rule 2080(b)(1)(B), as the Claimant was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds;
 3. Expungement of the Underlying Complaint from his CRD record pursuant to FINRA Rule 2080(b)(1)(C), as the claims, allegation, or information is false;
 4. Compensatory damages in the amount of \$1.00 from Respondent; and
 5. Any and all other relief that the Arbitrator deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 15, 2018, Claimant provided notice that the Statement of Claim and notice of the expungement hearing was served on the customers in the Underlying Complaint ("Customers").

On January 17, 2018, Claimant filed an Affidavit of Service signed by Claimant's counsel advising that the Customers were served with the Statement of Claim.

On April 18, 2018, Claimant filed an affidavit signed by one of the Customers advising that he does not oppose the request for expungement.

The Arbitrator conducted a recorded telephonic hearing on April 20, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing and did not contest the request for expungement. The Customers did not participate in the expungement hearing.

At evidentiary hearing, Claimant withdrew his request for \$1.00 in compensatory damages.

The Arbitrator reviewed the BrokerCheck® Report for Claimant.

The Arbitrator noted that the settlement of the Underlying Complaint was part of the Consent of Defendants UBS Securities LLC and UBS Financial Services Inc. in the United States District Court, Southern District of New York ("Global Settlement Agreement"). The Arbitrator reviewed the Global Settlement Agreement, considered the amount of payments made to any party, and other relevant terms and conditions of the settlement. The Arbitrator noted that Claimant was not involved in the Global Settlement Agreement and did not contribute to the settlement amount, which was a repurchase of the Auction Rate Securities ("ARS") at par value. The Arbitrator also noted that the settlement was not conditioned on the Customers not opposing the request for expungement.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: information provided during the two telephonic conference calls in this matter on January 5, 2018 and April 20, 2018; review of exhibits 1-13 provided by Claimant; non-opposition of Respondent; affidavit of one of the Customers indicating the non-opposition to the requested expungement; and the Global Settlement Agreement.

The parties present at the hearing have agreed that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, 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 Underlying Complaint, occurrence number [REDACTED], from registration records maintained by the CRD, for Claimant [REDACTED] (CRD# [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant [REDACTED] 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 13805 of the Code of Arbitration Procedure ("Code"), the Arbitrator has made the following Rule 2080 affirmative findings of fact: the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Based on the evidence presented at the expungement hearing, the Arbitrator concluded that Claimant was not involved in any alleged sales practice violation(s). The Underlying Complaint arose in connection with an industry-wide breakdown in the liquidity in the market for ARS which did not involve Claimant. Respondent, due to action by the SEC, entered into the Global Settlement Agreement where they agreed to repurchase ARS securities, including the subject complaint, at par value. Claimant was not involved in this global settlement. Similar global settlement agreements regarding ARS were also adopted by other banking institutions.

2. Any and all claims for relief not specifically addressed herein are denied.

ARBITRATOR

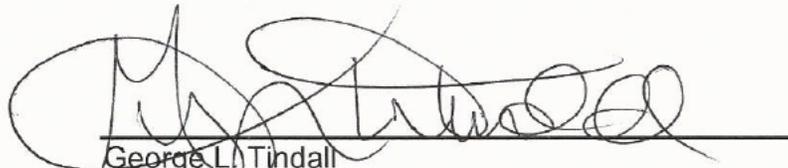
George L. Tindall

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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


George L. Tindall
Sole Public Arbitrator

5/7/2018
Signature Date

May 7, 2018

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