

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant

Case Number

vs.

Respondent

Hearing Site: Syracuse, New York

Cambridge Investment Research, Inc.

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Nature of the Dispute: Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant [REDACTED] Eric Litow, Esq. and Harris Freedman, Esq.,  
AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Cambridge Investment Research, Inc.: Andrea Shafer, Esq.,  
Cambridge Investment Research, Inc., Fairfield, Iowa.

**CASE INFORMATION**

Statement of Claim filed on or about: November 20, 2017.

[REDACTED] signed the Submission Agreement: November 20, 2017.

Statement of Answer filed by Respondent on or about: January 2, 2018.

Cambridge Investment Research, Inc. signed the Submission Agreement: January 3,  
2018.

**CASE SUMMARY**

Claimant asserted the following cause of action: expungement of occurrence number  
[REDACTED] from his CRD records.

Respondent asserted that the sales practice complaints at issue were properly reported  
pursuant to its regulatory and reporting requirements.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of occurrence number  
[REDACTED] from his CRD records, compensatory damages in the amount of \$1.00, and  
any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent did not oppose Claimant's request for  
expungement. Respondent objected to Claimant's request for compensatory damages.

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

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

The Arbitrator conducted a recorded telephonic hearing on May 16, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

The customer in the underlying claim referenced in occurrence number [REDACTED] did not participate in the expungement hearing. The Arbitrator determined that the customer received a copy of the Statement of Claim and received due notice of the expungement hearing and that the hearing would proceed without the customer present. The customer did not oppose Claimant's request for expungement.

Claimant withdrew his request for compensatory damages at the hearing.

The Arbitrator reviewed the BrokerCheck® Report for Claimant Michael Edward Chadwick and the Settlement Agreement in the underlying complaint, considered the amount of payments made to the customer, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on the customer not opposing the request for expungement. The Arbitrator also noted that Claimant did not contribute to the settlement.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of occurrence number [REDACTED]

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: the pleadings; party submissions; Claimant's testimony; and Claimant's BrokerCheck® Report.

### **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 occurrence number [REDACTED] from registration records maintained by the Central Registration Depository ("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 directives.

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, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

There is no evidence on the record to support the customer's allegation that conservative asset allocation resulted in opportunity loss. Claimant presented evidence that the customer had agreed to a conservative risk profile, that the investments were suitable to such a profile, and that Claimant and customer communicated regularly by telephone and email about these investments. The Arbitrator also took into consideration the fact that the amount paid to settle the case in the underlying dispute was relatively small in the context of the overall damages sought. Thus, I find that the customer's underlying claim and allegations were false.

### **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

*\*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 Cambridge Investment Research, Inc. is assessed the following:

Member Surcharge = \$ 150.00

#### **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, including a pre-hearing conference with the arbitrator, 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 29, 2018 1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing Date: May 16, 2018 1 session		
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Total Hearing Session Fees	= \$	100.00

The Arbitrator has assessed the \$100.00 hearing session fees to Claimant.

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

**ARBITRATOR**


Robert J. Ambrogi

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

**Arbitrator's Signature**

  
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Robert J. Ambrogi  
Sole Public Arbitrator

May 23, 2018

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

**May 24, 2018**

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