

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondent

Hearing Site: San Juan, Puerto Rico

Santander Securities LLC

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant [REDACTED] Armin Sarabi, Esq., AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Santander Securities LLC ("Santander"): Sara L. Velez Santiago, Esq., Pietrantonio Méndez & Alvarez LLC, San Juan, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: November 22, 2017.

[REDACTED] signed the Submission Agreement: November 22, 2017.

Amended Statement of Claim filed on or about: January 15, 2018.

Statement of Answer to Amended Statement of Claim filed by Respondent on or about: February 28, 2018.

Santander signed the Submission Agreement: December 13, 2017.

CASE SUMMARY

Claimant asserted the cause of action of inaccurate reporting on his Central Registration Depository ("CRD") records. The cause of action relates to two (2) previously settled customer arbitration claims (FINRA Case No. [REDACTED] Occurrence No. [REDACTED] and (FINRA Case No. [REDACTED] Occurrence No. [REDACTED] (the "underlying arbitrations" or the "Occurrences") that were recorded on Claimant's CRD records.

Unless specifically admitted in the Statement of Answer to the Amended Statement of Claim, Respondent denied the allegations made in the Statement of Claim and the Amended Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim and the Amended Statement of Claim, Claimant requested: expungement of the Occurrences from his CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claims, allegations, or information are factually impossible or clearly erroneous; expungement of Occurrence No. [REDACTED] from his CRD records pursuant to FINRA Rule 2080(b)(1)(B), as Claimant was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; expungement of the Occurrences from his CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claims, allegations, or information are false; an award of damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deemed just and equitable.

In the Statement of Answer, Respondent requested: a denial of any request for relief against Respondent Santander, including any request for compensation for damages and/or any other type of relief; the exclusion of Respondent Santander from any further proceedings regarding this action; and an imposition of any and all FINRA fees and costs against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about January 15, 2018, Claimant filed with FINRA Office of Dispute Resolution an Amended Statement of Claim for the sole purpose of amending facts previously asserted in the Statement of Claim.

On or about February 28, 2018, Claimant and Respondent filed with FINRA Office of Dispute Resolution a stipulated withdrawal of Claimant's claims for compensatory damages in the amount of \$1.00 and of any other relief against Respondent.

On or about June 6, 2018, Claimant filed with FINRA Office of Dispute Resolution proof of service of the Statement of Claim and notice of the date and time of the expungement hearing scheduled in this matter upon the customers in the underlying arbitrations, and of their right to participate therein.

The Arbitrator conducted a recorded telephonic hearing on June 25, 2018, so the parties could present oral argument and evidence on Claimant's request for expungement. Respondent participated in the expungement hearing and did not contest the request for expungement. The customers in the underlying arbitrations did not participate in the expungement hearing and did not contest the request for expungement. During the hearing, counsel for Claimant further represented that he had not received any returned mail or responses from the customers in the underlying arbitrations.

The Arbitrator reviewed the BrokerCheck® Report for Claimant and the settlement documents for the underlying arbitrations, considered the amounts of payments made to any party, and considered other relevant terms and conditions of the settlements. The Arbitrator noted that the settlements were not conditioned on the customers not

opposing the request for expungement; that Respondent paid significant settlement amounts but Claimant did not contribute to the settlement amounts; and that Claimant did not previously file a claim requesting expungement of the same disclosures in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's CRD records; the settlement agreements in the underlying arbitrations; and the testimony of Claimant.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, 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 FINRA Case No. [REDACTED]/Occurrence No. [REDACTED] and FINRA Case No. [REDACTED]/Occurrence No. [REDACTED] from registration records maintained by the CRD, for Claimant [REDACTED] [REDACTED] (CRD # [REDACTED], with the understanding that, pursuant to Notice to Members 04-16, Claimant 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 (the "Code"), the Arbitrator has made the following Rule 2080 affirmative findings of fact:

As to FINRA Case No. [REDACTED] Occurrence No. [REDACTED]

The claim, allegation, or information is factually impossible or clearly erroneous.

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

The testimony was consistent with the Statement of Claim, as amended, which reflected that the customer over concentrated her investments in Puerto Rico bonds against the advice of Claimant. As to the claim of unsuitability of the investment, at the time of the investment and based on information available at the hearing, Puerto Rico bonds were rated BBB- prior to February 14, 2014, but were downgraded to BB+ thereafter, as reflected in Exhibit 7 of the Amended Statement of Claim "Puerto Rican Government-Debt Crisis", and Exhibit 5 – "Moody's December 13, 2012, downgrade of Puerto Rico general obligation and related bonds to Baa3 from Baa1 and certain notched bonds to Ba1". Claimant acted consistently with the customer's risk tolerance and directives. Claimant left the employment of Respondent Santander in January 2015. The underlying arbitration was filed on April 1, 2016.

As to FINRA Case No. [REDACTED] Occurrence No. [REDACTED]

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 finding based on the following reasons:

Claimant was not an advisor on the customer's account and did not render investment advice to the customer. Claimant did not receive any compensation for the customer's account and even though Claimant was initially named as a respondent along with Respondent Santander in the underlying arbitration, Claimant was dropped from the claim. The testimony reflected that Claimant was dropped because he was named as a respondent by mistake. Claimant left the employment of Respondent Santander in January 2015. The underlying arbitration was filed on April 18, 2016.

FEES

Pursuant to the Code, 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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent Santander is assessed the following:

Member Surcharge	= \$ 150.00
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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: May 2, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: June 25, 2018	1 session

Total Hearing Session Fees	= \$ 100.00
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The Arbitrator has assessed the total hearing session fees of \$100.00 to Claimant.

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

ARBITRATOR

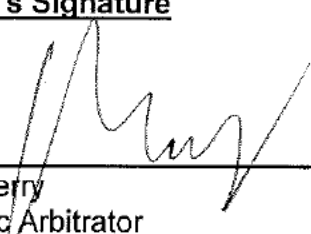
Mark C. Perry

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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



Mark C. Perry
Sole Public Arbitrator



Signature Date

JULY 6, 2018

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