

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

---

In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondent

Hearing Site: Oklahoma City, Oklahoma

Hilltop Securities Independent Network Inc.

---

Nature of the Dispute: Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant [REDACTED] ("Claimant"): Armin Sarabi, J.D., AdvisorLaw LLC, Broomfield, Colorado.

For Respondent Hilltop Securities Independent Network Inc. ("Respondent"): Jonathan D. Neerman, Esq., Jackson Walker LLP, Dallas, Texas.

**CASE INFORMATION**

Statement of Claim filed on or about: December 7, 2017.  
Claimant signed the Submission Agreement: December 11, 2017.

Statement of Answer filed on or about: January 23, 2018.  
Respondent signed the Submission Agreement: January 23, 2018.

**CASE SUMMARY**

Claimant asserted a claim seeking expungement of a customer complaint ("Underlying Complaint") from his registration records maintained by the Central Registration Depository ("CRD") reflected as Occurrence Number [REDACTED]

In the Statement of Answer, Respondent did not dispute the allegations made in the Statement of Claim and stated that it did not oppose Claimant's request for expungement.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement, \$1.00 in compensatory damages, and other appropriate relief.

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

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

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

On or about March 30, 2018, Claimant provided a copy of the Statement of Claim, Initial Pre-Hearing Conference Scheduling Order, and notice of the hearing to the customer involved in Occurrence Number [REDACTED] (the "Customer").

On or about April 6, 2018, Claimant filed an Affidavit of Service signed by Claimant's counsel advising that the Statement of Claim had been served on the Customer.

The Arbitrator conducted recorded telephonic hearings on June 12, 2018, and June 27, 2018, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearings and did not contest Claimant's request for expungement.

The Customer did not participate in the expungement hearings and did not submit a position on Claimant's request for expungement.

On the record at the hearing on June 12, 2018, Claimant orally moved to amend his Statement of Claim to withdraw his request for compensatory damages. Respondent did not oppose Claimant's Request to Amend Statement of Claim. The Chair granted Claimant's Request to Amend Statement of Claim on the record at the hearing on June 12, 2018. Accordingly, the Chairperson did not consider Claimant's request for \$1.00 in compensatory damages.

In the Arbitrator's Order dated June 14, 2018, she ordered a further hearing on expungement and requested that Claimant address additional items, including the settlement agreement in the Underlying Complaint.

In the Arbitrator's Order dated June 27, 2018, she requested a copy of the settlement agreement in the Underlying Complaint and additional documentation and information regarding the Underlying Complaint.

Claimant filed post-hearing submissions in response to the Arbitrator's Orders on or about June 28, 2018, and July 6, 2018.

The Arbitrator reviewed Claimant's BrokerCheck® Report, the General Mutual Release and Settlement Agreement ("Settlement Agreement"), considered the amount of payments made to any party, and considered other relevant terms and conditions of the settlement. The Arbitrator found that the settlement was not conditioned on Claimant not opposing the request for expungement. The Arbitrator found that the parties mutually withdrew their claims in the underlying arbitration case and there was no monetary settlement.

The Arbitrator found 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: Claimant's testimony, Claimant's BrokerCheck® Report, the Settlement Agreement, and the Affidavit from Claimant's counsel dated July 5, 2018.

### **AWARD**

After considering the pleadings, the testimony, the evidence presented at the hearings, 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 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, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is clearly erroneous;

and

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and

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

The evidence showed that Claimant did not recommend the trades which were unsolicited and made at the Customer's request. Although Claimant did not recommend any investments to the Customer, he personally discussed the Customer's investments with the Customer on numerous occasions. However, the Customer did not follow Claimant's advice. The Customer was informed of the nature of the transactions and the risks involved. The Claimant warned the Customer of the risks associated with the investments. The Customer later withdrew his claims against Claimant, including any claims that any of the purchases in the account were unsuitable. Although Claimant withdrew his counterclaim against the Customer in the underlying dispute, there was not an exchange of money between the Customer and Claimant when resolving the underlying dispute.



**ARBITRATOR**

Sherry R. Wetsch

-

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/ Sherry R. Wetsch

Sherry R. Wetsch  
Sole Public Arbitrator

07/13/18

Signature Date

07/13/18

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

**ARBITRATOR**

Sherry R. Wetsch

-

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**



Sherry R. Wetsch  
Sole Public Arbitrator

7-13-18  
Signature Date

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