

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number:

vs.

Respondent

Hearing Site: New York, New York

HD Vest Investment Services

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant [REDACTED] Michael Bessette, Esq, AdvisorLaw LLC, Broomfield, Colorado.

For Respondent HD Vest Investment Services: Eric Chartan, Esq., HD Vest Investment Services, Irving, Texas.

CASE INFORMATION

Statement of Claim filed on or about: March 14, 2018.

[REDACTED] signed the Submission Agreement: March 14, 2018.

Statement of Answer filed by Respondent on or about: March 22, 2018.

HD Vest Investment Services signed the Submission Agreement: March 22, 2018.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

In the Statement of Answer, Respondent asserted that it reported the customer complaint pursuant to FINRA rules.

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 supports Claimant's request for expungement and 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 in-person hearing on July 10, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

The customer in the underlying claims related to 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.

At the hearing, Claimant withdrew his request for compensatory damages.

The Arbitrator reviewed the BrokerCheck® Report for Claimant [REDACTED]

The Arbitrator noted that Claimant [REDACTED] 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: pleadings; testimony of Claimant, Claimant's submissions, Claimant's BrokerCheck® Report, and the Settlement Agreement.

The Arbitrator reviewed the BrokerCheck® Report for Claimant [REDACTED] and the Settlement Agreement, considered the amount of payment 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 reference 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 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 finding of fact:

The claim, allegation, or information is false.

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

[REDACTED] testified credibly that there was no unauthorized trading in the customer's accounts. The trades were made when the account was opened in accordance with the investment strategy that the customer agreed to. The market corrected shortly after the trades were made and the customer apparently filed his complaint as a result of the short term losses. The accounts were discretionary.

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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, HD Vest Investment Services 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, 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: June 11, 2018		1 session
One (1) hearing session @ \$50.00/session	= \$	50.00
Hearing Date: July 10, 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.

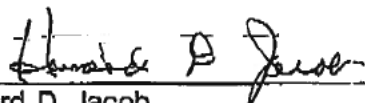
ARBITRATOR

Howard D. Jacob

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



Howard D. Jacob
Sole Public Arbitrator

July 24, 2018

Signature Date

July 24, 2018

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