

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number

vs.

Respondent

Capital Strategies Limited

Hearing Site: Philadelphia, Pennsylvania

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant [REDACTED] Dochter Kennedy, MBA, JD and Christopher Cummins, Esq.,
AdvisorLaw LLC, Westminster, Colorado.

Respondent Capital Strategies Limited: [REDACTED] Capital Strategies Limited,
Phoenixville, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on or about: January 8, 2018.

Claimant signed the Submission Agreement: January 8, 2018.

Statement of Answer filed by Respondent on or about: March 12, 2018

Capital Strategies Limited did not sign the Submission Agreement.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested the following:

1. expungement of occurrence numbers [REDACTED] [REDACTED] and [REDACTED] from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(A) as the claim, allegations, or information is factually impossible or clearly erroneous;
2. expungement of the occurrence numbers [REDACTED] [REDACTED] and [REDACTED] 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 occurrence numbers [REDACTED] and [REDACTED] from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(C) as the claim, allegations, or information is false;
4. an award of compensatory damages in the amount of \$1.00; and
5. any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer Respondent, did not contest Claimant's request for expungement.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file with the FINRA Office of Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, is bound by the determination of the Arbitrator on all issues submitted.

Respondent Capital Strategies Limited did not appear at the evidentiary hearing. Upon review of the file and the representations made on behalf of the Claimant, the Arbitrator determined that Respondent Capital Strategies Limited has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code.

On or about September 21, 2018, the Director of the FINRA Office of Dispute Resolution notified Claimant that his request for expungement of occurrence number [REDACTED] was ineligible for arbitration since it arose from a prior adverse Award. Therefore, the forum was denied as to occurrence number [REDACTED] pursuant to Rule 13203(a).

Claimant provided FINRA Office of Dispute Resolution with proof that he was unable to notify the customers related to occurrence numbers [REDACTED] and [REDACTED] of the expungement request and of their right to participate and testify at the expungement hearing because they are deceased.

The Arbitrator conducted a recorded telephonic hearing on January 3, 2019 so the parties could present oral argument and evidence on [REDACTED] request for expungement.

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

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

The Arbitrator reviewed the BrokerCheck® Report for [REDACTED] Claimant testified that he could not find a copy of the settlement agreement related to occurrence number [REDACTED]. The Arbitrator considered the amount of payments made to the customers, and he noted that the Claimant did contribute to the settlement amount.

The Arbitrator could not confirm if the settlement was not conditioned on the customers not opposing the request for expungement; however, the arbitrator found Claimant's testimony credible.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's Statement of Claim, Respondent's Statement of Answer, Claimant's BrokerCheck® Report, and the testimony and evidence presented at the expungement hearing.

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

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 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 factually impossible or clearly erroneous, the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds, and the claim, allegation, or information is false.

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

Claimant never had any contact with the customers and the customers did not file a claim with the NASD.

2. 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 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 factually impossible or clearly erroneous, the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds, and the claim, allegation, or information is false.

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

Claimant never had contact with the customers. These customers did file a claim with the NASD against both Claimant and Capita Strategies. At that time, Capital Strategies was not in business and, therefore, did not provide counsel for Claimant. Claimant settled that case because the cost of settlement was significantly less than the cost to defend.

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

Pursuant to the Code of Arbitration Procedure, the following fees is 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 event(s) giving rise to the dispute. Accordingly, as a party, Capital Strategies Limited 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: July 5, 2018 1 session

ARBITRATOR

Steven T. Stern

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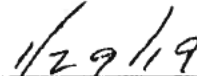
Sole Public Arbitrator

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



Steven T. Stern
Sole Public Arbitrator



Signature Date

January 30, 2019

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