

1. Expungement of the Underlying Complaints from his CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of the Underlying Complaints from his CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. Damages in the amount of \$1.00 from Respondent; and
4. Any and all other relief that the Arbitrator deems just and equitable.

In the Statements of Answer, Respondent requested:

1. Denial of Claimant's request for \$1.00 in compensatory damages;
2. Dismissal of Respondent from this matter with prejudice;
3. Assessment of all forum fees to Claimant; and
4. Such and other further relief as the Arbitrator deems appropriate.

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

OTHER ISSUES CONSIDERED AND DECIDED

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

On May 8, 2019, Claimant provided notice that the Statement of Claim and notice of the expungement hearing had been served on the underlying customer in occurrence number [REDACTED] ("Mr. E"), and the underlying customer in occurrence number [REDACTED] ("Mr. C"). Hereinafter, Mr. E and Mr. C are collectively referred to as the "Customers."

On May 10, 2019, Claimant filed an Affidavit of Service, signed by Claimant's counsel, advising that the Customers had been served with a copy of the Statement of Claim.

The Arbitrator conducted a recorded telephonic hearing on July 24, 2019 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not oppose the request for expungement. The Customers did not participate in the expungement hearing. The Arbitrator found that the Customers had notice of the hearing.

During the expungement hearing, Claimant's counsel advised that Mr. E had contacted him to ask for information regarding the expungement. Claimant's counsel stated that he informed Mr. E that he could participate in the hearing but was not required to do so.

The Arbitrator reviewed Claimant's BrokerCheck® Report.

The Arbitrator also reviewed the settlement documents, considered the amount 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. The Arbitrator also noted that Claimant did not contribute to the settlement amounts. The Arbitrator also noted that the settlement amounts were considerably less than the amount claimed. Mr. E claimed

\$265,425.00 in damages and Mr. C claimed \$30,000.00 in damages – both settled for \$6,000.00 each.

The Arbitrator noted 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: Statement of Claim; Claimant's testimony; Exhibit 1 – Retirement Cornerstone (SM) All Series: Application for Individual Annuity signed by Mr. C; Exhibit 2 – Retirement Cornerstone (SM) All Series: Application for Individual Annuity signed by Mr. E; Exhibit 8 – Respondent's Complaint and Investigation Response Letter to Mr. C; Exhibit 9 – Respondent's Complaint and Investigation Response Letter to Mr. E; and Exhibit 14 – Claimant's Meeting Notes with Mr. E.

The parties present at the hearing have agreed that a handwritten, signed Award may be entered.

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 the Underlying Complaints, occurrence numbers [REDACTED] and [REDACTED] from registration records maintained by 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 of Arbitration Procedure ("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 claim, allegation, or information is false.

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

The Customers both claimed that the Claimant misrepresented the interest rate on their investments and that they would not be charged fees on their accounts. The Customers were friends and invested with Claimant at the same time with similar investment goals. According to Claimant's testimony, Exhibit 1, Exhibit 2, and Exhibit 14, Claimant advised the Customers to invest in different types of

investments, but both clients wanted to invest in the Cornerstone Annuity despite being informed and advised of the risks and fees associated with the annuity. On January 17, 2012, the Customers signed forms acknowledging that they each received a CD-Rom containing the initial prospectus of each annuity. (See Exhibits 8 and 9). Both the prospectus of each annuity and Claimant's meetings with the Customers informed the Customers of the interest rates, fees and surrender charge penalties associated with the each annuity. Mr. E also decreased the value of the annuity by making withdrawals against the advice of Claimant. Thus, the Customers' complaints are clearly erroneous and false.

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

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 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, 2019	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$50.00
Hearing Date: July 24, 2019	1 session

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

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

ARBITRATOR

Michael J. Ahlstrom

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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

Michael J. Ahlstrom

Michael J. Ahlstrom
Sole Public Arbitrator

8-8-19

Signature Date

August 8, 2019
Date of Service (For FINRA Office of Dispute Resolution office use only)