

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about December 21, 2018, Claimant filed a copy of the letters sent to the customers for Occurrence Number [REDACTED], providing the customers with the Statement of Claim, notice of the expungement hearing date and time, and the option to participate in the expungement hearing. On or about January 8, 2019, Claimant filed an Affidavit of Service for the letters sent to the customers.

The Arbitrator conducted a recorded, telephonic hearing on January 28, 2019, so the parties could present oral argument and evidence on Claimant's request for expungement. Neither Respondent nor the customers participated in the expungement hearing.

The Arbitrator reviewed the BrokerCheck® Report for Claimant and the settlement documents, considered the amount of payments made to any party, 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 amount.

The Arbitrator noted 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 that the customer had knowledge of the investment from previous subscriptions and that his son, a securities lawyer, also reviewed the investment; the placement memo outlining the investment risks and that the debt was unsecured (Exhibit 5); documentation that Claimant was not named in the arbitration or settlement agreement (Exhibit 6); and the testimony and documentation that the customers had a high net worth and the investment was only a small percentage of that net worth (Exhibit 3).

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submission, 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 of Arbitration Procedure the ("Code"), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

- 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 customers had a high net worth, had knowledge of the investment, and had invested in earlier subscriptions. Moreover, the customers reviewed the investment with their son, a securities lawyer, as well as with Claimant. The private placement memorandum also outlined that the debt had a high risk and was subordinate and unsecured. Moreover, Claimant was not named in the arbitration or settlement agreement. Therefore, the claim of unsuitability is clearly erroneous.

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 that employed the associated person at the time of the events 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: December 03, 2018	1 session

ARBITRATOR

Leon Fox

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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

Leon Fox
Sole Public Arbitrator

Signature Date

02/25/19

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