

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

Laidlaw & Company (UK) Ltd.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████: Eric Litow, Esq., HLBS Law, Westminster, Colorado.

For Respondent Laidlaw & Company (UK) Ltd.: Alex Shtaynberger, Esq., Laidlaw & Company (UK) Ltd., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: May 23, 2018.

██████████ signed the Submission Agreement: May 23, 2018.

Statement of Answer filed by Respondents on or about: June 27, 2018.

Laidlaw & Company (UK) Ltd. signed the Submission Agreement: June 27, 2018.

CASE SUMMARY

Claimant asserted the cause of action of inaccurate reporting on his Central Registration Depository ("CRD") records. The cause of action relates to two previously settled customer arbitrations and one customer complaint (Occurrence Nos. ██████████, ██████████, and ██████████).

The cause of action in Occurrence No. ██████████ relates to the customer's investment in the Dendreon Corp., Sequenom Inc., and Facebook.

The cause of action in Occurrence No. ██████████ relates to the customer's investment in the Dendreon Corp. and Sequenom stocks.

The cause of action in Occurrence No. ██████████ relates to the customer's investments in Dendreon shares, energy, biofuels, biotechnology, software, financials, and solar industries.

In the Statement of Answer, Respondent stated that it does not contest Claimant's request for expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of all references to Occurrence Nos. [REDACTED], [REDACTED] and [REDACTED] from his CRD records; compensatory damages in the amount of \$1.00; and any and all other relief that the Arbitrator deemed just and equitable.

In the Statement of Answer, Respondent requested the denial of Claimant's request for monetary compensation.

During the expungement hearing, Claimant withdrew his request for compensatory damages of \$1.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about January 11, 2019, Claimant filed with FINRA Office of Dispute Resolution an Affidavit, in which he attested that he located the customers in connection with Occurrence Nos. [REDACTED] and [REDACTED]. However, Claimant was unable locate the customer in connection with Occurrence No. [REDACTED]

On or about January 11, 2019, Claimant filed with FINRA Office of Dispute Resolution a notice of service upon customers in connection with Occurrence Nos. [REDACTED] and [REDACTED] of the Statement of Claim in this matter, notice of the date and time of the upcoming expungement hearing and the customers' right to participate therein. The customers did not submit written responses thereto.

On or about February 5, 2019, Claimant filed with FINRA Office of Dispute Resolution a notice of service upon the customer in connection with Occurrence No. [REDACTED] of the Statement of Claim in this matter, notice of the date and time of the upcoming expungement hearing and the customer's right to participate therein. The customer did not submit a written response thereto.

On or about February 12, 2019, Claimant filed with FINRA Office of Dispute Resolution an Affidavit of service upon all of the customers in connection with each of the Occurrences of the Statement of Claim in this matter, notice of the date and time of the upcoming expungement hearing and the customers' right to participate therein.

The Arbitrator conducted a recorded telephonic hearing on February 12, 2019, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

The Arbitrator reviewed the BrokerCheck® Report for Claimant and the settlement documents in connection with each of the Occurrences, 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; and that the amounts paid in the settlements represent less than the probable cost of defending the claims.

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: the pleadings; documentary evidence in the form of exhibits 1 through 16; and testimony of Claimant.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, if any, 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 Nos. [REDACTED], [REDACTED], and [REDACTED] from registration records maintained by the CRD, for Claimant (CRD# [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant 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 with respect to all three Occurrences:

The claim, allegation, or information is factually impossible or clearly erroneous; and

The claim, allegation, or information is false.

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

These customer disputes were all filed after the termination of Claimant's employment with Respondent. Claimant was terminated by Respondent for an alleged violation of his employment contract and failure to make loan payments in accordance with the contract. Respondent settled the 3 customers' disputes without any involvement or defense by Claimant, and without the knowledge or consent of Claimant. In fact, after Claimant's employment with Respondent ended on October 16, 2012, Claimant was denied access to emails and client files by Respondent.

Claimant was not involved in defending these claims in any fashion, nor did he engage in any settlement discussions or contribute towards settlement of the claims.

Occurrence No. [REDACTED]

In this dispute, the customer alleged unauthorized trading activity and unsuitable use of margin. The Arbitrator finds that the customer was a sophisticated, experienced investor and that he was a client of Claimant for 5 years at 3 different brokerage firms, and all trading activity and use of margin were approved in advance by the customer and were consistent with his investment objectives, risk tolerance, financial profile and prior investment history. The Arbitrator also found that Claimant communicated with the customer weekly; that all trades were authorized and confirmed through a third-party confirmation system; that the customer completed and signed a margin agreement; and that the customer always received trade confirmations and account monthly statements. Claimant testified that the customer never expressed any problem with the relationship nor did he complain about anything improper in his account or account management.

Occurrence No. [REDACTED]

In this dispute, the customer alleged the use of margin and nature of investments were unsuitable. The Arbitrator finds that the customer was an active, experienced investor and that the use of margin and nature of the investments were approved in advance by the customer and were consistent with his investment objectives, risk tolerance and prior investment history. All of the customer's trades were confirmed with a third-party system and he received monthly account statements. The customer completed and signed a margin agreement. Claimant and the customer communicated by email and/or telephone approximately 1-2 times per week. They developed a strong rapport and the customer never expressed any complaints on how his accounts were managed or the performance of his portfolio. He continually expressed his satisfaction with the investment methodology used and deposited additional sums of money in his account for additional investments.

Occurrence No. [REDACTED]

The allegations in the customer's dispute were that the investments from 2010 to 2012 were unsuitable. The Arbitrator finds that the customer was an active investor with 32 years of investment experience. The customer has been a client of Claimant since 2008 and is a solicitor and managing director of a legal services company that he owned with a partner. The customer's investment objective was short term growth. His risk tolerance was speculation and would later become moderate. In August 2008, the customer opened a non-discretionary account under the name of Yorsipp Trustees Limited. The Yorsipp account was the customer's U.S. equities account. The customer had 2 other accounts, as well as other global assets, and his portfolio was diversified. The customer was not an active trader in the Yorsipp account and notably the Claimant never made any margin purchases for the customer in this account while registered with Respondent, as the customer had signed a business letter forbidding margin trades in the Yorsipp account. After Claimant was terminated by Respondent, Respondent's subsequent advisors on this

account violated this agreement and traded on margin causing significant losses. These losses were the basis for the customer filing his complaint. The customer later confirmed in an email (Exhibit #9) that Claimant never made any margin purchases in the Yorsipp account and in fact, it was Respondent's subsequent advisor who took over this account after Claimant departed and made the margin purchases. The Arbitrator further noted that the customer, in an Affidavit (Exhibit #16) dated 6/26/2018 affirmed that he has been a client of Claimant since 2008 and "In regards to customer dispute occurrence number [REDACTED], filed by myself and Yorsipp Trustees Ltd. on July 14, 2014 and alleging unsuitability from 2010 to 2102, I support Claimant's request for expungement."

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
--------------------------	------------

**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
------------------	-------------

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: September 18, 2018 1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: February 12, 2019 1 session	

Total Hearing Session Fees	= \$100.00
----------------------------	------------

The Arbitrator has assessed the entire hearing session fees of \$100.00 to Claimant.

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

ARBITRATOR

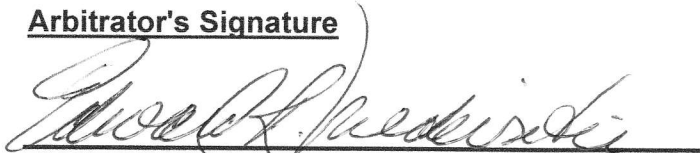
Edward R. Niederriter

-

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



Edward R. Niederriter
Sole Public Arbitrator



Signature Date

2/19/2019

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