

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

HD Vest Investment Services

Hearing Site: Hartford, Connecticut

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████ Erica Harris Esq., AdvisorLaw, LLC, Westminster, Colorado.

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

CASE INFORMATION

Statement of Claim filed on or about: October 11, 2018.

██████████ signed the Submission Agreement: October 11, 2018.

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

Respondent signed the Submission Agreement: October 22, 2018.

CASE SUMMARY

Claimant asserted the following cause of action: Expungement of Occurrence number ██████████

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of the Underlying Claim from his CRD record 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 Claim from his CRD record pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false.
3. An award of damages in the amount of \$1.00 from the Respondent.
4. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent, did not contest the present action and stipulated to expungement of the underlying claim from Claimant's CRD record. Respondent did not oppose Claimant's request for an award of damages in the amount \$1.00.

At the beginning of the hearing, Claimant withdrew his demand for compensatory damages in the amount of \$1.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not appear at the evidentiary hearing. By letter dated November 15, 2018 Respondent waived appearance at the initial and final hearings in the above matter.

Claimant provided FINRA Office of Dispute Resolution with proof that he notified the customer related to occurrence number [REDACTED] of the expungement request and of the right to participate and testify at the expungement hearing, and also included a copy of the Statement of Claim.

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.

The customers in the underlying complaint related to occurrence number [REDACTED] did not contest Claimant's expungement request, appear at, or otherwise participate in the expungement hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report and 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: The pleadings, evidence and direct testimony of Claimant presented at the expungement hearing, Exhibit #2 Letters of Instruction, Exhibit #3 IRA Distribution Request, Exhibit 11 Customer's Attorney Demand Letter, Exhibit 12 Letter to FINRA Investigator, and Exhibit #13 Letter from Claimant's Attorney.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, 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; and the claim, allegation, or information is false.

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

The Claimant and customer were brothers ("the Brothers") who were involved in numerous business transactions. For example they jointly owned three H & R Block Tax franchises in Connecticut. They expanded similar franchises in Missouri and Arkansas. They owned a building in Connecticut. Those H & R Block franchises declined over time. The Brothers modernized said offices as a requirement by H & R Block. The franchises had a manager that embezzled from the Brothers with IRS withholding problems for which they became legally and personally responsible. The embezzlement precluded the customer brother from electronically signing IRS tax returns. As a consequence, different forms of business structures were created between the brothers with the Claimant brother taking a deeper personal involvement and investment in said businesses. The Claimant brother was involved in the financial industry through HD Vest Investment Services for approximately 26 years and made investments for the customer brother, after fully discussing with the customer brother all aspects of those investments. The testimony revealed that the customer brother had different health and financial commitments. The customer brother ultimately hired an attorney who felt that the Claimant brother owed him some \$601,385.00. An intensive investigation by HD Vest Investment Services and FINRA determined that the Claimant brother did nothing wrong. All those factual matters were brought out at the expungement hearing. Therefore, all allegations were not only clearly erroneous but false. Furthermore, in 26 years of employment at HD Vest Investment Services, not one other claim was made against the Claimant brother.

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

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 event giving rise to the dispute. Accordingly, as a party, Respondent 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: January 9, 2019	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
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The Arbitrator 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

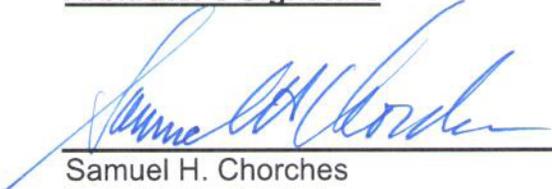
Samuel H. Chorches

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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



Samuel H. Chorches
Sole Public Arbitrator

2/26/2019

Signature Date

February 26, 2019

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