

In the Statement of Answer, Respondent contested Claimant's request for compensatory damages.

On the record at the hearing, Claimant withdrew his request for \$1.00 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about May 29, 2019, Claimant submitted a copy of the letter sent to the customer related to Occurrence Number [REDACTED] which included a copy of the Amended Statement of Claim, expungement hearing date and time, and advised the customer of his opportunity to participate in the expungement hearing. On or about June 17, 2019, Claimant submitted an Affidavit of Service for the May 29, 2019 letter sent to the customer.

The Arbitrator conducted a recorded, telephonic hearing on July 2, 2019, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing but did not contest Claimant's request for expungement. The customer did not participate in the expungement hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report.

The Arbitrator reviewed a document related to a global settlement between the Securities and Exchange Commission and the Respondent, in which Respondent agreed to repurchase the customer's Auction Rate Securities ("ARS") at par value. The Arbitrator noted this settlement was independent of the customer's claims, which Respondent determined were without merit. The Arbitrator also noted that the Claimant was not a party to, did not agree to, participate in, or contribute to the settlement and that the settlement was not conditioned upon an agreement not to oppose Claimant's request for expungement.

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 Statement of Claim and Amended Statement of Claim, Respondent's Statement of Answer, the global settlement documentation, and the notice given to the customer.

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 the 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 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 customer's complaint was made to persuade Respondent to participate in a global settlement with regulatory agencies following a widespread failure of ARS. The customer's "claim" that he was told the ARS had short-term liquidity is false because Claimant explained the ARS and their risks in detail to the customer, including that there was a risk of illiquidity in the case the auctions were to fail. The customer's claim is also factually impossible because the ARS did maintain short-term liquidity until they failed, due to reasons outside of Claimant's control. The customer continued choosing to repurchase his ARS on a regular basis between the summer of 2007 and February 2008. The customer and many of his family members also continued as customers of Claimant.

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 event 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 @ \$50.00/session = \$ 50.00
Pre-hearing conference: May 1, 2019 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing Date: July 2, 2019 1 session

Total Hearing Session Fees = \$ 100.00

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

Lynne M. Gomez

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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



Lynne M. Gomez
Sole Public Arbitrator

7-22-2019

Signature Date

July 22, 2019

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