



### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number [REDACTED] from Claimant's CRD record pursuant to FINRA Rule 2080(b)(1)(A) as the claim, allegations, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Number [REDACTED] from Claimant's CRD record pursuant to FINRA Rule 2080(b)(1) (C) as the claim, allegations, or information is false;
3. An award of compensatory 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 Statement of Answer, Respondent requested:

1. An Award from the Arbitrator on the issue of whether to recommend that Occurrence Number [REDACTED] be expunged from Claimant's CRD record in the form required by FINRA Rule 2080;
2. Denial of all other requests for relief; and
3. An order that all forum costs are assessed against Claimant.

In the Amended Statement of Claim, Claimant requested:

1. Expungement of the Underlying Arbitrations from Claimant's CRD record pursuant to FINRA Rule 2080(b)(1)(A) as the claim, allegations, or information is factually impossible or clearly erroneous;
2. Expungement of the Underlying Arbitrations from Claimant's CRD record pursuant to FINRA Rule 2080(b)(1) (C) as the claim, allegations, or information is false;
3. An award of compensatory damages in the amount of \$1.00 from Respondent; and
4. Any and all other relief that the Arbitrator deems just and equitable.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On or about March 30, 2018, Claimant provided notice of the Statement of Claim, the dates for the expungement hearing, and the right to participate to the customers in Occurrence Number [REDACTED] ("Mr. and Mrs. S"). On or about April 6, 2018, Claimant provided an Affidavit of Service on Mr. and Mrs. S.

On or about May 3, 2018, Claimant filed a Motion to Amend the Statement of Claim in order to join an additional expungement request for Occurrence Number [REDACTED]. No Response was filed by Respondent. By Order, dated June 12, 2018, the Arbitrator granted Claimant's Motion to Amend the Statement of Claim.

On or about September 12, 2018, Claimant filed a follow-up letter to Mr. and Mrs. S, providing notice that the expungement hearing was rescheduled for October 2, 2018.

On October 2, 2018, the Arbitrator issued an Order stating that the telephonic hearing on Claimant's requests for expungement would be postponed. The Arbitrator further ordered that Claimant would have until October 31, 2018 to provide FINRA with proof of service that the underlying customer for Occurrence Number [REDACTED] had been served with the Statement of Claim and notice of the expungement hearing.

On or about October 12, 2018, Claimant filed a second follow-up letter to Mr. and Mrs. S, notifying them that the hearing set for October 2, 2018, had been postponed pursuant to the Arbitrator's Order. In the letter, Claimant advised that Mr. and Mrs. S would be notified when the expungement hearing was rescheduled.

On or about October 15, 2018, Claimant provided notice of the Statement of Claim, the date of the expungement hearing, and the right to participate to the customers in Occurrence Number [REDACTED] ("Mr. and Mrs. J").

Hereinafter, Mr. S, Mrs. S, Mr. J, and Mrs. J are collectively referred to as "Customers".

On or about October 22, 2018, Claimant filed a letter to the Customers regarding notice that the expungement hearing was rescheduled for November 7, 2018.

On or about January 4, 2019, Claimant filed a letter to the Customers regarding notice of the rescheduled expungement hearing on January 31, 2019.

On or about February 15, 2019, Claimant filed a letter to the Customers regarding notice of the rescheduled expungement hearing on March 14, 2019.

On or about February 25, 2019, Claimant filed an Affidavit of Service on the Customers.

The Arbitrator conducted a recorded, telephonic hearing on March 14, 2019, so the parties could present oral argument and evidence on Claimant's requests for expungement.

Before Claimant's case-in-chief, Claimant moved to withdraw his request for \$1.00 in compensatory damages. The Arbitrator granted the request.

Respondent participated in the expungement hearing but did not contest the requests for expungement. The Customers did not participate in the expungement hearing, however, the Arbitrator noted that they had been provided notice of the expungement hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report.

The Arbitrator 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 requests for expungement. The Arbitrator also noted that Claimant did not contribute to the settlement amounts.

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: Settlement Agreements; Claimant's Testimony; and the BrokerCheck® Report.

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 all references to the Underlying Arbitrations, Occurrence Numbers [REDACTED] and [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 ("Code"), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

The Arbitrator recommends expungement for Claimant's remaining claims filed by Customers Mr. J and Mr. S because the allegations are false.

Claimant testified that they had personal meetings prior to the investments, phone calls, emails, and letters. Also, private placement memoranda ("PPM") were provided to these accredited investors, where all of the risks and possible losses of investment were fully disclosed. These PPM documents were signed by the investors, as part of the firm's overall compliance procedures, prior to any investment being made. Claimant also prepared, with investor input, new client investment profiles detailing their individual net worth and willingness to take on risk in investments. Also, as the Customers were provided with notice but did not appear at the hearing, there was no

controverting testimony from any investor to possibly dispute these statements.

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, including a pre-hearing conference with the arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) pre-hearing sessions with a single arbitrator @ \$50.00/session	= \$100.00
Pre-hearing conferences: February 15, 2018	1 session
March 15, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: March 14, 2019	1 session

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Total Hearing Session Fees	= \$150.00
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The Arbitrator has assessed \$50.00 of the pre-hearing session fees to Claimant.  
The Arbitrator has assessed \$50.00 of the pre-hearing session fees to Respondent.  
The Arbitrator has assessed \$50.00 of the expungement hearing session fees to Claimant.

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

**ARBITRATOR**

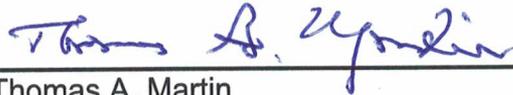
Thomas A. Martin

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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**



Thomas A. Martin  
Sole Public Arbitrator



Signature Date

June 10, 2019

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