

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Curtis John Parry

Case Number: 20-00524

vs.

Respondent
UBS Financial Services Inc.

Hearing Site: Los Angeles, California

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

For Claimant Curtis John Parry (“Claimant”): Chelsea Masters, Esq., HLBS Law, Westminster, Colorado.

For Respondent UBS Financial Services Inc. (“Respondent”): Omar Perez, Esq., UBS Business Solutions US LLC, Nashville, Tennessee.

CASE INFORMATION

Statement of Claim filed on or about: February 13, 2020.
Claimant signed the Submission Agreement: February 13, 2020.

Notice of Non-Participation filed by Respondent on or about: May 4, 2020.
Respondent signed the Submission Agreement: March 2, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Notice of Non-Participation, Respondent did not oppose Claimant’s expungement request and noted that it would not be participating in this expungement matter.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number 967971 from his CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Number 967971 from his CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. 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 Notice of Non-Participation, Respondent objected to Claimant's request for \$1.00 in compensatory damages.

At the hearing, Claimant withdrew the request for \$1.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

On June 24, 2021, Claimant advised that the customers in Occurrence Number 967971 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing. On June 28, 2021, Claimant filed an Affidavit confirming that the Customers were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on July 26, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

As stated in the Notice of Non-Participation, Respondent did not participate in the expungement hearing.

The Customers also did not participate in the expungement hearing. The Arbitrator found that the Customers had notice of the expungement request and hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 967971, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement. The Arbitrator noted that Claimant contributed to the settlement amount. The Arbitrator recommends expungement of the occurrence as Claimant's contribution to the settlement was nominal in light of the potential cost of litigation.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings; Claimant's Affidavit of customer service; Claimant's exhibits; Claimant's BrokerCheck® Report; the settlement agreement; claimants testimony; and claimant's witness testimony.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, and any 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 967971 from registration records maintained by the CRD for Claimant Curtis John Parry (CRD Number 2896603) with the understanding that, pursuant to Notice to Members 04-16, Claimant Curtis John Parry 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:

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:

Claimant has been a broker for almost 24 years. At the time of the alleged events during March, 2000 through July, 2000, Claimant was registered with Respondent from September, 1997 through September, 2000 in Encino, California. Claimant initially contacted the Customers, who made the underlying complaints, through a cold call and they became clients of Claimant and his brother at the end of 1999.

Respondent filed a Notice of Non-Participation in this matter and stated that it did not oppose the expungement request but did oppose the \$1.00 in compensatory damages sought by Claimant.

Claimant's counsel served a copy of his Statement of Claim and Notice of Expungement along with notice of the expungement hearing on the Customers on June 24, 2021, which was delivered by June 30, 2021. The Customers did not respond or participate in this expungement matter.

In Claimant's words, the relationship between him and his brother and the Customers began with a cold call. He was just starting out back then and that is how you tried to expand your clientele. Through public information, it was apparent that the Customers had a large profit-sharing plan for their business. The process did not take place

overnight. They met several times and spoke over the phone over the course of a few months. Claimant is very thorough and detail oriented, but not such a great salesperson. He likes to go deep in the weeds and did the same with the Customers. At the outset, the Customers were interested in the proprietary Ed Kerschner's Highlighted stock portfolio and generally, Claimant and his brother would buy and sell stocks for the Customers as per the list.

The Customers were involved in the details of all the investments and even received a 70-page binder that contained all of the proposals from Claimant and his brother. This was part of the procedure back then. Diversification was a linchpin of the proposals and they did include the purchase of Class C-share international mutual funds in their profit-sharing plan. At the time, Claimant used Frontier, an analytics tool that directed how to allocate assets across different instruments. Claimant and his brother actually proposed that the Customers invest an amount in the international mutual funds but after deliberating over it, the Customers only authorized a third of Claimant's suggested dollar amount, to be divided equally in three funds, which was about 1.5 percent of their portfolio. These purchases were based on a one percent commission at that time, so after Respondent took its cut, Claimant and his brother would have received about \$150.00, so it seems unlikely that Claimant tried to pull the wool over the Customers' eyes for approximately \$75.00.

The Customers had a family trust discretionary account, however, these C-share funds were purchased in the non-discretionary account. The Customers complained about another purchase that was made in the discretionary account. The discretionary account was then changed to non-discretionary after that purchase. Claimant spoke with the Customers regularly between March 2000 and the end of August 2000 regarding the performance of the Customers' portfolio. Claimant's manager at the time approved all of the recommendations made to the Customers. As the technology sector was declining in 2000, the portfolio was declining. The Customers were unhappy with the international C-Share funds but Claimant encouraged them to have patience and maintain a long-term view, especially since these were a very small portion of their portfolio.

Claimant's brother was the senior partner of the brothers and was Respondent's top producer at the time. There was a lot of friction between Claimant's brother and the manager of the branch, which led to his brother's termination and Claimant's resignation. Claimant and Claimant's testifying witness both felt that the manager contacted not only the Customers, but a number of other clients after their departure from Respondent to persuade them to file complaints against Claimant and his brother.

The Customers sent a letter of complaint to Respondent, dated September 28, 2000. They never spoke to Claimant directly about lodging a formal complaint. Claimant's brother had already been terminated by Respondent on August 23, 2000 and Claimant himself resigned from Respondent on September 14, 2000. Claimant responded to the Customers' complaint in his letter to Respondent's counsel, dated October 25, 2000.

The case was settled on December 22, 2000. Claimant did not participate in the negotiations but contributed to the settlement. Claimant did not have legal representation. Claimant was told that this complaint would never appear on his record and he just wanted to move on. Respondent never told him that they had investigated the allegations and found them to be true and that it was his fault. The Customers did not pursue this Complaint until after Claimant left Respondent nor in court or through arbitration.

Claimant has been a broker for almost 24 years and this is the only customer complaint on his record. Claimant met with the Customers a number of times and had numerous conversations regarding the proposals for investments that he and his brother made. Claimant even provided a 70-page binder with detailed proposals to the Customers.

For these reasons, the Arbitrator recommends expungement pursuant to FINRA Rules 2080(b)(1)(A) as the claim, allegation, or information is factually impossible or clearly erroneous and 2080(b)(1)(C) as the claim, allegation, or information is false.

Additionally, the Customers' complaint holds no meaningful regulatory or investor protection value and its expungement would have no material adverse effect on investor protection, the integrity of the CRD system, or regulatory requirements. This complaint actually has harmed Claimant because he is required to disclose it continually and it is available to the public, so its expungement will accurately represent his record.

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 Dispute Resolution Services 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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Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

October 13, 2020, postponement requested by Claimant	= \$	Waived
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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, which 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: June 8, 2020		1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: July 26, 2021		1 session

Total Hearing Session Fees	= \$	100.00
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The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Constance Ellen Boukidis

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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

Constance Ellen Boukidis

Constance Ellen Boukidis
Sole Public Arbitrator

08/19/2021

Signature Date

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August 19, 2021

Date of Service (For FINRA Dispute Resolution Services use only)