Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
William John Serralles

vs.

Respondents
UBS Financial Services, Inc.
UBS Financial Services Incorporated of Puerto Rico

Case Number: 20-00858

Hearing Site: San Juan, Puerto Rico

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. Members

REPRESENTATION OF PARTIES

For Claimant William John Serralles: Sonia M. López Del Valle, Esq. and Roberto C. Quiñones, Esq., McConnell Valdes, LLC, San Juan, Puerto Rico.

For Respondents UBS Financial Services, Inc., and UBS Financial Services Incorporated of Puerto Rico: Rey F. Medina Velez, Esq., UBS Financial Services Incorporated of Puerto Rico, San Juan, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: March 13, 2020.
William John Serralles signed the Submission Agreement: February 28, 2020.

Statement of Answer filed by Respondents on or about: April 13, 2020.
UBS Financial Services, Inc. signed the Submission Agreement: April 13, 2020.
UBS Financial Services Incorporated of Puerto Rico signed the Submission Agreement: April 16, 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 Statement of Answer, Respondents supported Claimant's expungement requests.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1705949 ("Customers A"), 1715944 ("Customer B"), 1763216 ("Customers C"), 1774330 ("Customers D"), 1795461 ("Customers E"), 1798716 ("Customers F"), 1824995 ("Customer G"), 1866452 ("Customers H"), 1886747 ("Customers I"), 1973260 ("Customers J"), and 1987348 ("Customer K"); and, compensatory damages in the amount of $1.00 from Respondent.

In the Statement of Answer, Respondents did not delineate any specific relief request.

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 November 6, 2020, Claimant advised that the customers in all of the Occurrence Numbers, hereinafter collectively referred to as (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 November 23, 2020, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondents participated in the expungement hearing and, as stated in the Statement of Answer, supported Claimant's expungement requests.

The Customers 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 occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation related to all of the Occurrence Numbers, considered the amount of payment made to any party to the settlements, and considered other relevant terms and conditions of the settlements. The Arbitrator noted that the settlements were not conditioned on any party to the settlements not opposing the expungement requests and that Claimant did not contribute to the settlement amounts.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings, testimony of Claimant and Witness 1, exhibits and supplemental exhibits filed post hearing.

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 all of the Occurrence Numbers from registration records maintained by the CRD for Claimant William John Serralles (CRD Number 2121621) with the understanding that, pursuant to Notice to Members 04-16, Claimant William John Serralles 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 as to all occurrences:

   The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

   The claim, allegation, or information is false.

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

   Pursuant to FINRA Rule 13805, the Arbitrator finds that Rule 2080(b)(1)(B) and (C) have been satisfied.

   At all relevant times, Claimant was a registered representative with Respondents. On July 20, 2009, Claimant entered into a Financial Advisor Team Agreement (the "Agreement") with three financial advisors, Witness 1 and Witness 2, and then later Witness 3, who were also employed by Respondents in the same branch office as Claimant. That arrangement purportedly provided for Claimant, Witness 1 and Witness 2 to maintain their own independent accounts and clients, add new, jointly administered accounts, and allowed for Claimant, Witness 1, and Witness 2 to cover for each other when one of them was absent from the office or otherwise unavailable to assist their respective customers. The Agreement further provided that it was not the intent of the parties to create a partnership, joint venture, or any other type of legal entity, and it did not create a contract of employment between the team members and Respondents. The Agreement also reflected that customer complaints may be reported on a member's CRD Form U4 or U5 even if the complaining customer was serviced primarily, or even exclusively, by other team members.

   Claimant alleges that several of the eleven at-issue customer complaints, expressly involved Witness 1's customers. None of the eleven at-issue customers were Claimant's customers or jointly managed by Claimant or the other team members, and some of the complaints involved customer accounts serviced by other financial advisors with Respondents, who Claimant contends were erroneously tied to his broker ID number. Claimant categorically denies ever having met or communicated with any of the eleven complaining customers. He likewise denies ever making any of the investment recommendations that are central to the eleven customer complaints at-issue and disavows ever making any misrepresentations or omissions of material facts regarding their investments.

Occurrence Number 1705949 (FINRA Case No. 14-01163):

This complaint stems from another consolidation of multiple customer complaints regarding Puerto Rican closed-end bond funds. Customers A filed an arbitration against Respondents and individuals associated with Respondents, including Claimant and Witness 1. Customers A alleged unsuitability, misrepresentations, and that Customers A were victimized by a "loan scheme." It was further alleged that Claimant and Witness 1 were some of Respondents' financial consultants or investment executives, who handled the accounts of Customers A. Although the Statement of Claim sets forth events that allegedly occurred "at all relevant times," when Claimant and Witness 1 were financial consultants with Respondents, to some of the complaining customer accounts, except by implication, there are no specific allegations of wrongdoing by Claimant or Witness 1.

Claimant testified that he was not involved with Customers A, and emphatically did not provide any investment advice to Customers A. Claimant's evidence persuasively establishes that he was not the financial advisor of record and had no direct involvement with Customers A or their account. Under the circumstances, this customer complaint is clearly erroneous and false.

Occurrence Number 1715944 (FINRA Case No. 14-02102):

Customer B commenced an arbitration against Respondents in July 2014 for losses allegedly caused by Respondents' recommendation and sale of over-concentrated positions in leveraged Puerto Rican municipal bond funds. According to Customer B, these funds were purchased upon the recommendations of a financial advisor with Respondents between 2005 through 2011. Customer B alleged: failure to supervise, negligence, breach of contract, unsuitability and violation of various securities acts.

The record indicates that in the underlying action, Customer B's financial advisor was not named as a party to the action. However, Claimant's name appears on certain account statements based on the Agreement with Witness 1.

In December 2016, the respondents in the underlying action settled Customer B's claim. Claimant did not participate in the settlement, nor was he asked to do so, nor did he contribute to the settlement. Nevertheless, Respondents reported the complaint on Claimant's CRD record. Claimant asserts that reporting this customer complaint on his CRD is erroneous and false. Claimant and Witness 1 testified that Claimant had no involvement with the account, did not offer investment advice, nor did he ever meet with Customer B.

The evidence presented strongly supports a finding that this reported customer complaint was clearly erroneous as it applies to Claimant. Credible testimony established that Claimant did not provide any investment advice to the Customer B, and Claimant was never the financial advisor of record or the de facto financial advisor. Although the underlying records reference Customer B's account being managed pursuant to the Agreement between Claimant and Witness 1, the evidence objectively indicates that Claimant's singular involvement with the subject account was due to his name being listed on the account because of his "team" association with Witness 1. This conclusion is also consistent with the evidence that Claimant was not named in the underlying suit, never participated in any settlement with Customer B, nor was he asked to contribute to any settlement. Accordingly,

the evidence presented is that the reporting of this complaint on Claimant's CRD is erroneous and false.

Occurrence Number 1763216 (FINRA Case No. 15-00636):

This customer complaint involved Puerto Rican closed-end funds purchased through Respondents and Witness 1 between 2002 and 2012. Claimant and Witness 1 each testified that Witness 1 exclusively serviced the accounts of Customers C when the investments were purchased. They also testified that Witness 1 continuously maintained an investing relationship with Customers C beginning in the late 1990s - when Witness 1 was employed as a financial advisor at another brokerage firm. In 2013, the accounts allegedly suffered significant losses. Two years later, in March 2015, Customers C commenced an arbitration action against Respondents. Customers C alleged that Respondents were responsible for the losses under the following theories: unsuitability and misrepresentation regarding their purchase of closed-end municipal bond funds. No financial advisor was specifically named as a party to the action. However, Witness 1's purported conduct was referenced in both the Statement of Claim and Respondents' Statement of Answer. Respondents settled the complaint in October 2016.

Claimant was not a party to the underlying action, nor was he identified in any pleadings. Claimant did not participate in any settlement, nor contribute to any settlement. However, Claimant's name appears on certain customer account statements, as a result of the Agreement with Witness 1, and this customer complaint was reported on Claimant's CRD record.

As reported on Claimant's CRD record, Claimant denied the allegations of Customers C. He asserted that the allegations were erroneous and false because he was never the financial advisor of record for Customers C, he had never been present at any financial investment meetings related to Customers C, and he never provided these customers with any investment advice. Claimant testified that he was familiar with Customers C having been socially introduced to them. Yet Claimant never met with Customers C to discuss business or offer advice regarding any investments, including those that were the subject of this complaint. He explained that Customers C's account statements listed his name only because of the inter-office business arrangement he had with Witness 1. Witness 1's testimony corroborated Claimant's position.

Claimant's and Witness 1's consistent and credible testimony persuasively supports a finding that Claimant had no involvement with recommending the investments at the core of this reported customer complaint. In turn, the evidence establishes that the subject customer claim reported as part of Claimant's CRD record was clearly erroneous and false, as it relates to Claimant.

Occurrence Number 1774330 (FINRA Case No. 15-00928):

This customer complaint reported on Claimant's CRD record stems from an arbitration commenced in April 2015, by two corporations. Customers D were two corporate entities with a common owner ("Owner"). Customers D alleged that Respondents had engaged in a scheme to defraud them by having them purchase Puerto Rican closed-end funds. Customers D alleged unsuitability, fraud, misrepresentations, violations of various securities

laws, and failure to supervise. Customers D also alleged in their Statement of Claim that the accounts were managed by Respondents through their financial advisors, Claimant and Witness 1. In the Statement of Answer, Respondents observed that the Owner maintained a long-term investment relationship with Witness 1 since the 1990s, and followed him to Respondents in 2003, when Witness 1 became affiliated with Respondents. Respondents stated that the at-issue investments were purchased as far back as 2003 and, most significantly, that the accounts of Customers D were exclusively serviced by Witness 1. Respondents settled the claims with Customers D in November 2018, without any participation by Claimant. No settlement contribution was requested of, or made by, Claimant.

Claimant testified that he never met with, nor did he ever make any investment recommendations to, Customers D or the Owner. Witness 1's testimony bolstered Claimant's testimony that Claimant did not service, manage or provide investment advice to Customers D or the Owner. Telephone logs, admitted as evidence, identify communications only between Customers D, via the Owner, and Witness 1. Correspondingly, there was no evidence suggesting any communications between Claimant and the Owner or anyone else acting on behalf of Customers D. New account documentation from April 2002 references only Witness 1 and does not reference Claimant. The foregoing evidence strongly supports a finding that the allegations set forth in the subject customer complaint are clearly erroneous and false as it relates to Claimant.

Occurrence Number 1795461 (FINRA Case No: 15-01349):

In June 2015, Customers E, two married couples, commenced an arbitration against Respondents alleging unsuitable recommendations, misrepresentations and Respondents' failure to supervise its associated financial advisors in connection with the purchase of closed-end Puerto Rican municipal bond funds. Respondents settled Customers E's claims in September 2016, without any participation or contribution from Claimant. However, Respondents reported the claim on Claimant's CRD record. As reported on his CRD record, Claimant denied the claims, stating that Customers E were totally unknown to him, and that he was not involved in any of these accounts that listed his broker identification number. He claimed that the accounts were handled by another broker in the branch office, and that Customers E were mistaken by adding him to the underlying arbitration.

Claimant's testimony supported the denial appearing on his CRD record. He credibly testified that he never met or advised Customers E, and that he was not involved with either of their accounts. Claimant supplemented his testimony with various account statements and Profit and Loss Schedules for Customers E. The older account statements and tax schedules plainly identify the financial advisor of Customers E as another individual. Later statements and schedules indicate the accounts were eventually assigned to another financial advisor. Similar account statements and tax schedules identify yet another individual as the financial advisor. Claimant explained that one of these other financial advisors later became associated with the Agreement between Claimant and Witness 1. However, Claimant maintained that he had no relationship with these customers who he understood remained customers of the other financial advisor.

Claimant's evidence supports a finding that Claimant did not make any of the at-issue investment recommendations, nor did he misrepresent or omit any material facts alleged to

be sales practice violations regarding the investments of Customers E. Consistent with that evidence, Claimant was not a party to the settlement agreement reached between Respondents and Customers E, nor did Claimant contribute to any settlement. Accordingly, the alleged claims of Customers E, as reported on Claimant's CRD report, were clearly erroneous and false.

Occurrence Number 1798716 (FINRA Case No. 15-01028):

This June 2015 consolidated customer complaint stemmed from Puerto Rico closed-end bond fund investments, allegedly involving common questions of law or fact between various customers against Respondents. Alleged claims included unsuitability and investments that were induced by various misrepresentations. The consolidated Statement of Claim alleged that the financial advisors of Customers F were Claimant and Witness 1. However, the Amended Statement of Claim of Customers F notably omitted all reference to Claimant and Witness 1 and modified the pleading to specifically reference only another financial advisor. In November 2015, and prior to Respondents filing any responsive pleading, Customers F withdrew their arbitration claim. There was no evidence presented that Claimant took part in any settlement that was offered or paid by Respondents in return for the voluntary withdrawal of the claim. However, the complaint was reported on Claimant's CRD record.

Claimant asserts that the omission of his name in the Amended Statement of Claim, and the substitution of another financial advisor's name, establishes that Claimant's name was erroneously included in the original Statement of Claim. Expressed differently, the Amended Statement of Claim addresses only the conduct of another financial advisor, who was, by all accounts, the financial advisor of record. In support of this conclusion, Claimant testified that he was not involved in the management of the accounts of Customers F, having never had any communication with Customers F, and having never made any investing recommendations or given any advice to them. Whereas the record plainly evidences that Claimant was not related to this specific customer complaint, it follows that this complaint was erroneous and false as it applied specifically to him and that it would be unfair to list this complaint on Claimant's CRD Record.

Occurrence Number 1824995 (FINRA Case No. 15-01691):

In September 2015, Customer G commenced an arbitration against Respondents alleging that his investments in Puerto Rican closed-end funds were unsuitable, over concentrated, and misrepresented as safe investments. Customer G alleged that his losses were caused by Respondents' mishandling assets, and that although not named as a respondent in the underlying action, the official financial advisor designated by Respondents was the Claimant, who recommended the improper investment strategy and caused Customer G to invest and hold positions in a concentrated portfolio of Puerto Rican related holdings including, but not limited to, Respondents' funds. Customer G alleged that he first opened his account with Respondents in approximately 2007 with Claimant, who was a financial advisor. Customer G identified Claimant as his financial advisor and alleged that Claimant recommended the improper investment strategy.

In response to Customer G's various allegations, Respondents asserted that Customer G's account was opened in 2006, and that the designated financial advisor at the time was another individual. Respondents also averred that the at-issue recommendations were made

by this other financial advisor, and that Claimant became affiliated with the account in 2014, a year after the market correction that resulted in Customer G's underlying complaint. In November 2017, Respondents settled Customer G's complaint.

Claimant testified that he did not participate in the settlement discussions, nor did he provide any monetary contribution to the settlement. Claimant stressed that he was not involved in the investments or recommendations that occurred years prior to his involvement with the account.

Claimant's testimonial and documentary evidence supports a finding that Claimant did not make any of the at-issue investment recommendations, nor did he misrepresent or omit any material facts to Customer G regarding the same investments. The evidence is clear that Claimant became the successor financial advisor in 2014, seven or eight years after the investments were first recommended and purchased. Perhaps more importantly, the evidence clearly establishes that Customer G's alleged losses occurred one year before Claimant became Customer G's financial advisor. In other words, there is no logical evidentiary support for Customer G's allegations as they might apply to Claimant. Additionally, Claimant was not a party to the settlement agreement between Respondents and Customers G, nor did Claimant have any participation with that settlement. Thus, the reported customer claim, allegation or information found on Claimant's CRD record is factually impossible, clearly erroneous and false.

Occurrence Number 1866452 (FINRA Case No. 16-00128):

In January 2016, Customers H commenced an arbitration against Respondents alleging inappropriate and over-concentrated investment strategy involving Puerto Rican municipal bonds and closed-end funds. The subject accounts were opened during or around 2002-2003. Claimant testified that at the time of the initial investment, the financial advisor to Customers H was Witness 3. Even so, several account statements reference Claimant thereby tying Claimant to the Statement of Claim of Customers H. As of March 2004, the records identify Claimant as a member of the Claimant and Witness 3 team. The case was settled by Respondents in June 2016, with no contribution being sought from, or made by, Claimant.

Claimant acknowledged that his name is associated with the account of Customers H due to the cross-coverage Agreement that he had with Witness 3. He explained that this cross-coverage arrangement began sometime in 2001 and ended in 2013, at which time Witness 3 moved to another branch. He further testified that during that same period, from the opening of the account of Customers H through 2013, the account was managed exclusively by Witness 3. Strangely, despite leaving the firm in 2013, Witness 3 continued to be listed on the account statements of Customers H as late as September 2015. However, the October 2015 account statement seemingly attempts to correct the error by indicating that the account was reassigned to the PR Investment Center. Claimant testified that he was not a member of the amorphously described PR Investment Center, and that he never serviced, met, or offered investment advice to Customers H. Claimant theorized that due to an obvious oversight, Respondents mis-associated his name with Witness 3 and, in turn, the account of Customers H.

To be clear, the foregoing establishes Claimant was peripherally associated with the account through the informal cross-coverage agreement he had with Witness 3, who was the principal financial advisor of Customers H, other than unidentified members of the PR Investment Center. However, there is little doubt that Claimant's working arrangement with Witness 3 did not extend to Claimant having directly provided any investment advice or management concerning the subject customer account. Claimant's evidence is consistent with his theory that his association with the Customers H and their account was due to his relationship with Witness 3, and that the customer claim, allegation, or information is clearly erroneous and false as it applies to Claimant.

Occurrence Number 1886747 (FINRA Case No. 16-01060):

In April 2016, Customers I, a group of thirteen customers, jointly filed an arbitration against Respondents. The claims of Customers I were consolidated in one action pursuant to FINRA Rule 12312. In short, Customers I jointly alleged that their Puerto Rican closed-end bond funds and municipal bonds were unsuitable investments. All claims of Customers I were eventually settled by Respondents without any participation or monetary contribution from Claimant. The customer complaints were reported on Claimant's CRD record.

The evidence presented establishes an attenuated nexus between various financial advisors that directly serviced, maintained, and advised Customers I and Claimant, but there is little evidence that Claimant had any direct connections with Customers I or their accounts. According to the documentary evidence presented, at all relevant periods Customers I all had different and clearly identifiable financial advisors. Seven customers had their accounts managed by the same financial advisor with Respondents. Two customers had accounts managed by another financial advisor with Respondents through 2009, followed by another financial advisor with Respondents. At the same time, another customer's account was assigned to yet another financial advisor with Respondents. Two more customers had financial advisors other than Claimant who left Respondents' firm in 2010 and 2013. Their accounts were eventually assigned to another of Respondents' financial advisors. Two of the customers were the exclusive clients of Witness 1, who as discussed previously, became associated with Claimant as part of an Agreement.

Claimant testified that he never met any of the thirteen complaining customers and did not make any direct or indirect investment recommendations, to any of them. Claimant argues that this consolidated customer claim was reported on his CRD as an obvious oversight and clerical error and emphasized that aside from Witness 1, he never established a team or mutual support relationship with these other financial advisors, nor Witness 2, who was also a named account representative and member of the original Agreement. Claimant asserts that this complaint had been reported on his CRD record because the so-called "team" appeared on a trade run as the "team" that placed certain trades for two of the thirteen customers comprising Customers I. As both Claimant and Witness 1 testified, those two customers were originally clients of Witness 2, who left Respondents in September 2013. After Witness 2 left the firm, Witness 1 assumed management of two of the customer accounts. Although it is undisputed that Witness 1 was the de facto financial advisor of record for two of the customers and their accounts, the formal listing of a financial advisor for the two customers and their accounts was Claimant and Witness 1.

Claimant submits that the circumstances arising in some other complaints that were reported on his CRD record for which he seeks expungement in this arbitration share obvious similarities with this consolidation of these thirteen customer complaints. Simply put, this consolidated claim was reported because of Claimants' Agreement with Witness 1, and the fact that other financial advisors may have been perceived as members of that team but were not. Claimant stressed that his Agreement with Witness 1 was for their convenience, but it was never intended to alter any relationships between financial advisors and their customers. Thus, other than the so-called Agreement, Claimant had no direct connection or affiliation with Customers I.

The scenario portrayed by this consolidated customer claim is complicated by the fact that excluding Claimant, at least seven financial advisors have some indisputably direct connection with Customers I and their accounts. Some of this complication was doubtlessly compounded by Claimant's various in-house "team" associations with other financial advisors and/or Respondents' seemingly ad hoc designations of financial advisors for each account, leading to the CRD reporting that is the subject of Claimant's expungement complaint. Nevertheless, the evidence presented establishes that Claimant was not the financial advisor of record, nor the de facto financial advisor, for Customers I, and that it would be unfair to label him as such by reporting this on his CRD record. This consolidated customer complaint was erroneous and untrue as it applies to Claimant.

Occurrence Number 1973260 (FINRA Case No: 18-00757):

In 2011, Customers J invested in Puerto Rican municipal bonds and closed-end funds with Respondents. During or around 2013, the Puerto Rican bond market declined, resulting in a reduction in the value of the accounts of Customers J. In February 2018, Customers J commenced an arbitration against Respondents alleging, inter alia, that their account was over concentrated in Puerto Rican municipal bonds and closed end funds resulting in monetary losses. Customers J alleged in their Statement of Claim that, at all times relevant herein, their accounts were managed by Respondents through their financial advisor, who was not the Claimant. In the same pleading, Customers J also alleged that, at all times relevant herein, their accounts were managed by Respondents through their financial advisors, Claimant and Witness 1. Respondents answered the Statement of Claim, contending that the Statement of Claim was inaccurate in that the accounts of Customers J were serviced by two other financial advisors, followed by a third financial advisor. Related trade run documentation identifies these other financial advisors. Besides these trade runs, October 2016 telephone records reflect a conversation between Customers J and a supervisor with Respondents. Respondents ultimately settled this customer complaint in November 2018. Claimant did not participate in the settlement, nor did he make any monetary contribution toward the settlement.

There is ample evidence that at various times three financial advisors were assigned to the accounts of Customers J, and that those three financial advisors were plainly connected to the trades at the core of this customer complaint. In other words, there is no evidence that directly associates Claimant with Customers J and their complained of investments. This is borne out not only by Claimant's testimony, but also Respondents' responsive pleading in the underlying arbitration, in addition to the supporting account documentation made a part of the record herein. Under the circumstances, the associated customer complaint, as it relates to Claimant, is clearly erroneous and false.

Occurrence Number 1987348 (FINRA Case No. 18-02350):

In 1999, Customer K opened a brokerage account with Respondents. In 2012, Customer K opened a retirement fund account with financial advisor Witness 1, who was part of the Agreement between Claimant and Witness 1. Customer K transferred two variable annuities to his account with Respondent from another brokerage firm. Customer K eventually converted the annuities into Puerto Rican funds similar to those held by the now-liquidated annuities. In 2013, the account allegedly suffered losses. Some five years later, in 2018, Customer K commenced his arbitration against Respondents, alleging various misrepresentations and omissions regarding each funds' structure, risks, trading characteristics, and pricing. The Statement of Claim did not identify or name any related financial advisor. However, In December 2019, the case was settled by Respondents. There was no contribution requested of, or paid, by Claimant.

Claimant testified that he never met with Customer K, nor did he provide any investment advice to Customer K. Communication logs made part of the record establish that Customer K communicated only with Witness 1, and there was no evidence that Customer K ever communicated directly with Claimant or vice versa. Claimant highlighted the fact that Respondents' Statement of Answer to Customer K's Statement of Claim specifically identified Witness 1 as Customer K's account representative, and correlatively identified discussions and investment advice between Customer K and Witness 1. All of this evidence reasonably supports the conclusion that Claimant was not the financial advisor for Customer K's account, and that there is no evidence that Claimant ever provided Customer K with any investment advice or assistance. The same evidence therefore militates in favor of a finding that the allegations as they relate to Claimant in connection with this occurrence are erroneous and false.

CONCLUSION:

Each of the eleven occurrences which Claimant seeks to expunge from his CRD record are found to have been false, thus warranting expungement. It is far from clear how or why these customer claims were reported on Claimant's CRD record, excepting, for the most part, confusion caused by various interoffice "team" cross-coverage arrangements between Claimant and other financial advisors at the same branch office. Nevertheless, Claimant has established that in each of the eleven occurrences, any alleged participation by him was erroneous and false. Continued disclosure of these occurrences on Claimant's CRD would be unfair as it would likely result in harm to Claimant's reputation. Similarly, reporting these false claims, provides little, if any, obvious benefit to the investing public and might likely result in confusion rather than clarity. Any findings made in connection with this consolidated expungement request addresses only the eleven occurrences, and not any other customer complaints that may or may not be reported on Claimant's CRD record. To be clear, no findings or conclusions are made respecting claims, allegations, or information regarding Respondents, or other individuals identified as part of Claimant's expungement requests, excepting Claimant himself. Pursuant to FINRA Rule 13805, the Arbitrator finds that Rule 2080(1)(B) and (C) have been satisfied as it relates to the eleven occurrences.

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

**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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents are each 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, 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: July 13, 2020	1 session		
One (1) hearing session on expungement request @ $50.00/session		=$	50.00
Hearing: November 23, 2020	1 session		
Total Hearing Session Fees		=$	100.00

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

Seth L. Finkel - 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

Seth L. Finkel **03/15/2021**

Seth L. Finkel
Sole Public Arbitrator

Signature Date

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.

March 15, 2021
Date of Service (For FINRA Dispute Resolution Services use only)