

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Zachary Brody

Case Number: 20-01296

vs.

Respondent
Pruco Securities, LLC.

Hearing Site: New York, New York

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 Zachary Brody: Brian Kennedy, Esq., Law Office of Brian Kennedy, New York, New York.

For Respondent Pruco Securities, LLC.: Jennifer E. Novoselsky, Esq., Reyes Kurson, Ltd., Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: April 23, 2020.

Zachary Brody signed the Submission Agreement: April 23, 2020.

Statement of Answer filed by Respondent on or about: June 16, 2020.

Pruco Securities, LLC. signed the Submission Agreement: June 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, Respondent took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 2040202; compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent objected to request for any award of damages and any other relief.

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 January 11, 2021, Claimant advised that the customer in Occurrence Number 2040202 was 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 February 8, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The customer did not participate in the expungement hearing and did not oppose the expungement request. The Arbitrator found that the customer 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 noted that the dispute related to Occurrence Number 2040202 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings; Claimant's testimony; Claimant's BrokerCheck® Report and exhibits.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 Occurrence Number 2040202 from registration records maintained by the CRD for Claimant Zachary Brody (CRD Number 6108594) with the understanding that, pursuant to Notice to Members 04-16, Claimant Zachary Brody 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 and the claim, allegation, or information is false.

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

The customer, employed at a hedge fund, was a sophisticated investor with ten years investment experience in speculative investment, a large emergency fund and a long-time horizon. The customer’s complaint related to a securities purchase (a John Hancock insurance policy) handled by a registered representative while at a prior firm. When the representative moved to Respondent’s firm, the customer also moved her account to Respondent’s firm, and the representative continued to handle the customer’s account. Claimant had no connection to these events and was not the representative’s supervisor. The customer became dissatisfied with the John Hancock policy and chose to surrender it and replace it with a new policy purchased at the Respondent’s firm. She was advised to call John Hancock to get the exact values prior to surrender. The customer chose to proceed with the surrender of the policy without contacting John Hancock. Following the surrender, she was still dissatisfied, and was advised by Claimant concerning John Hancock’s free-look option. Claimant also advised the customer, again, that it was the customer’s responsibility to call John Hancock get exact values. The customer stated she chose not to reinstate the John Hancock policy, that she did not want to call John Hancock, that she wanted to go ahead with the purchase of Respondent’s policy. She further stated that she did not want to make a complaint and this statement is reinforced by the customer’s text message sent on February 6, 2021 (Claimant’s Exhibit 3). Respondent denied the claim and the customer took no further action.

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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent Pruco Securities, LLC. 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, 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: August 13, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: February 8, 2021 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

Joan M. Traub

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

Joan M. Traub

Joan M. Traub
Sole Public Arbitrator

02/09/2021

Signature Date

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February 09, 2021

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