

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Leticia Laura Santiago

Case Number: 20-01450

vs.

Respondent
UBS International, Inc.

Hearing Site: Boca Raton, Florida

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 Leticia Laura Santiago: Harris Freedman, Esq. and Zachary Morse, Esq., Of Counsel, HLBS Law, Westminster, Colorado.

For Respondent UBS International, Inc.: Omar Perez, Esq., UBS Business Solutions US, LLC, Nashville, Tennessee.

CASE INFORMATION

Statement of Claim filed on or about: May 6, 2020.

Leticia Laura Santiago signed the Submission Agreement: May 6, 2020.

UBS International, Inc. did not file a Statement of Answer or sign the Submission Agreement.

Amended Statement of Claim filed on or about: July 15, 2020.

CASE SUMMARY

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1532701 pursuant to FINRA Rules 2080(b)(1)(A) and (C); deletion of all Disclosure Reporting Pages

accompanying the underlying claim; compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (“Code”) and is bound by the determination of the Arbitrator on all issues submitted.

On December 1, 2020 and April 26, 2021, Claimant filed Affidavits confirming that the customers in Occurrence Number 1532701 (“Customers”) were served with the Amended Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on May 27, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Respondent did not participate in the expungement hearing. The Arbitrator found that Respondent had notice of the expungement request and 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 1532701, 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 not opposing the expungement request and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: all pleadings, testimony, and evidence at the 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. Claimant’s claim for \$1.00 in compensatory damages is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number 1532701 from registration records maintained by the CRD for Claimant Leticia Laura Santiago (CRD Number 1811434) with the understanding that, pursuant to Notice to

Members 04-16, Claimant Leticia Laura Santiago 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:

Claimant has been a financial services professional since October of 1998. Although not presently registered with FINRA, she is currently registered through the U.S. Securities and Exchange Commission as Chief Executive Officer, Chief Commercial Officer, and as an investment advisor with a private wealth advisor entity. Despite being in the investment industry for over twenty (20) years, the Claimant’s CRD Record and BrokerCheck Report contain only one complaint, Occurrence Number 1532701, which is the subject of this expungement request.

During the time Claimant was employed as an investment advisor at Respondent, the Customers, both residents of Mexico, became clients of the Claimant through a referral. The Customers were high-profile businessmen who ran numerous companies, including Virgo Investments. The Customers were long-time savvy, aggressive, speculative investors with a high-risk tolerance whose goal was capital appreciation seeking growth and income. On October 17, 2006, the Customers opened a brokerage account at Respondents for Virgo Investments. The Customers' capital was estimated at a high amount. Based on the Customers' investor profile and investment objectives for Virgo Investments, Claimant recommended a structure, leveraged certificate with an underlying hedge fund in addition to other investments. Claimant explained in detail to the Customers the terms, risks, fees, advantages and disadvantages of the investment, including the possibility that the note would not be paid at maturity and the lack of a guarantee of a secondary market where the investment could be sold. After receiving and reviewing the offering documents associated with the note, the Customers authorized the purchase of the investment, completed and signed subscription and disclosure documents, and affirmed in writing their understanding of the investment.

For a few years that followed the purchase of the investment, Claimant spoke to the Customers regularly; sometimes as frequently as several times daily. The Customers never expressed any dissatisfaction with their investment in the note until after the financial crisis of 2008. As a result of the financial crisis, the Customers were unable to liquidate the investment on any secondary market. The note was also not paid at maturity, which was a risk prior acknowledged by the Customers before purchasing the note.

In May of 2009, Claimant changed employers. The Customers initially agreed to follow Claimant to her new employer, but later changed their minds and remained with Respondent and subsequently logged a customer complaint on behalf of Virgo Investments. On

September 5, 2010, the Customers' complaint was reported on Claimant's CRD Record. The allegation was that Claimant had given the Customers false information by telling them there would be a secondary market where they could sell the investment anytime they wished. The complaint further alleged that Claimant never mentioned there was a possibility that the note would not be paid at maturity, and also that Claimant had made an unauthorized trade. The Customers requested monetary damages. Following correspondence between Respondent and the Customers, as a business decision, the complaint was settled for an amount Respondent considered nominal in light of the potential cost of litigation. Claimant was not aware of, did not participate in, and did not contribute to the Settlement Agreement.

All the allegations made by the Customers against Claimant were false and defamatory. Claimant had explained in detail the note to the Customers, provided them with written materials pertaining to the investment, explained the possibility that the note may not be repaid, and explained that there may not be a secondary market in which to sell the note. The Customers acknowledged their understanding of the investment and authorized its purchase.

The Arbitrator finds that these untrue allegations on Claimant's CRD Record and BrokerCheck Report harms her reputation by misinforming the public of her ethics and conduct. This disclosure makes the record inaccurate and conveys the false impression that Claimant acted improperly with respect to the Customers' account. There is no benefit to the investing public that outweighs the harm to Claimant's reputation through the continued disclosure of the occurrence. Claimant has not previously requested expungement of this incident. For the above reasons, the Arbitrator finds that Claimant is entitled to have the above incident expunged from her CRD Record under FINRA Rule 2080(b)(1)(C): "The claim, allegation, or information is false."

After considering the pleadings, the testimony, and the evidence at the hearing, the Arbitrator recommends expungement of Occurrence Number 1532701 because FINRA Rule 2080(b)(1)(C) has been satisfied.

3. 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 is assessed the following:

Member Surcharge = \$ 150.00

Postponement Fees

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

January 4, 2021, postponement requested by Claimant = \$ WAIVED

Total Postponement Fees = \$ WAIVED

The Arbitrator has waived the total postponement fees.

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: September 15, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: May 27, 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

Elena G. Rodriguez

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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

Elena G. Rodriguez

Elena G. Rodriguez
Sole Public Arbitrator

06/04/2021

Signature Date

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June 04, 2021

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