

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Jeffrey Diaz

Case Number: 20-01566

vs.

Respondent
WTS Proprietary Trading Group 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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

Claimant Jeffrey Diaz appeared pro se.

Respondent WTS Proprietary Trading Group LLC did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: May 17, 2020.
Jeffrey Diaz signed the Submission Agreement: May 16, 2020.

WTS Proprietary Trading Group LLC did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: expungement of Form U5.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of defamatory information in his Central Registration Depository (“CRD”) records.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each 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 Panel on all issues submitted.

Respondent did not file a Statement of Answer. The Panel determined that Respondent was served with the Claim Notification letter dated May 19, 2020 by regular mail and certified mail, as evidenced by the signed signature cards on file/USPS tracking information available online, and the Overdue Notice (including the Statement of Claim) dated July 9, 2020 by regular and certified mail, as evidenced by the signed signature cards on file/USPS tracking information available online. The Panel also determined that Respondent was served with the Notification of Panel dated August 3, 2020 by regular and certified mail, as evidenced by the signed signature card on file/USPS tracking information available online.

The Claim Notification letter notified Respondent that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent failed to register for the DR Portal.

The Panel determined that Respondent is, therefore, bound by the Panel’s ruling and determination.

The Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Jeffrey Diaz’s (CRD Number 5649015) Form U5 filed by WTS Proprietary Trading Group LLC (CRD# 148117) on September 1, 2011 and maintained by the Central Registration Depository (“CRD”). The Reason for Termination shall be changed to “Voluntary” and the Termination Explanation should be deleted in its entirety and shall appear blank. This directive shall apply to all references to the Reason for Termination and Termination Explanation.
2. The Panel recommends expungement based on the defamatory nature of the information. The above recommendations are made with the understanding that the registration records are not automatically amended. Jeffrey Diaz must forward a copy of this Award to FINRA’s Credentialing, Registration, Education and Disclosure Department for review.
3. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee =\$ 1,575.00

**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 a party, Respondent WTS Proprietary Trading Group LLC is assessed the following:

Member Surcharge =\$ 1,900.00

Member Process Fee =\$ 3,750.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session =\$ 450.00
Pre-hearing Conference: October 23, 2020 1 session

Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session =\$ 2,250.00
Pre-hearing Conferences: September 9, 2020 1 session
November 17, 2020 1 session

One (1) hearing session on expungement request @ \$1,125.00/session =\$ 1,125.00
Hearing Date: January 6, 2021 1 session

Total Hearing Session Fees =\$ 3,825.00

The Panel has assessed \$1,912.50 of the hearing session fees to Claimant.

The Panel has assessed \$1,912.50 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Khadijah B. Matin	-	Public Arbitrator, Presiding Chairperson
Daniel Robbins	-	Public Arbitrator
Robert L. Palleschi	-	Non-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.

Concurring Arbitrators' Signatures

Khadijah B. Matin

Khadijah B. Matin
Public Arbitrator, Presiding Chairperson

02/05/2021

Signature Date

Daniel Robbins

Daniel Robbins
Public Arbitrator

02/05/2021

Signature Date

Robert L. Palleschi

Robert L. Palleschi
Non-Public Arbitrator

02/04/2021

Signature Date

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February 08, 2021

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