

**Award**  
**FINRA Dispute Resolution Services**

---

In the Matter of the Arbitration Between:

Claimant  
James L. Springer

Case Number: 20-01606

vs.

Respondent  
UBS Financial Services, 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 James L. Springer: Nisha S. Wright, Esq., Stein & Stein, P.A., Palm Beach, Florida.

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

**CASE INFORMATION**

Statement of Claim filed on or about: May 20, 2020.  
James L. Springer signed the Submission Agreement: May 14, 2020.

Statement of Answer filed by Respondent on or about: June 26, 2020.  
UBS Financial Services, Inc. signed the Submission Agreement: May 21, 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 stated it has no opposition to Claimant’s expungement request and asserted that it engaged in no wrongdoing.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 1917472,

1771228, 1635259, 1451955, 1398515, and 1463559.

In the Statement of Answer, Respondent did not delineate a relief request.

At the hearing, Claimant requested an additional expungement of Occurrence Number 1725330.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On October 29, 2020, Claimant advised that the customers in Occurrence Numbers 1917472, 1771228, 1635259, 1451955, 1398515, and 1463559 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Panel conducted a recorded, telephonic on December 10, 2020, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

At the expungement hearing, Claimant made an oral Motion to add Occurrence Number 1725330 to Claimant's request for expungement and submitted into evidence Respondent's written reply stating that it did not object to Claimant's Motion and agreed to add the Occurrence Number. The Panel granted the Motion.

At the hearing, Claimant also advised that the customers in Occurrence Number 1725330 were served with the Statement of Claim and notice of the date and time of the expungement hearing. The customer did not participate in the expungement hearing and did not oppose the request for expungement.

The Panel found that all Customers had notice of the expungement request and hearing.

The customer from Occurrence Number 1917472 appeared at the expungement hearing and did not oppose the request for expungement.

The other Customers did not participate in the expungement hearing.

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

With respect to Occurrence Numbers 1398515, 1463559, and 1725330, the Panel also reviewed the settlement documents, considered the amount of payments made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Panel noted that the settlements were not conditioned on any party to the settlements not opposing the expungement request and that Claimant did not contribute to the settlement amounts.

The Panel noted that the disputes related to Occurrence Numbers 1917472, 1771228, 1635259, and 141955 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Panel relied upon the following documentary or other evidence: the pleadings; BrokerCheck® report; settlement documents; proof of delivery of notice of the hearing to the Customers; testimony by Claimant; exhibits admitted at the hearing; and trial counsel's notebook admitted at the hearing.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the expungement 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 all references to Occurrence Numbers 1917472, 1771228, 1635259, 1451955, 1398515, 1463559, and 1725330 from registration records maintained by the CRD for Claimant James L. Springer (CRD Number 2535792) with the understanding that, pursuant to Notice to Members 04-16, Claimant James L. Springer 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 Panel has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous;

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

The claim, allegation, or information is false.

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

As to Occurrence Number 1917472:

The Customers alleged excessive fees were charged on multiple accounts. The Panel finds these claims were false because the Customers signed and agreed to such fees as part of the investor application and the fees were further disclosed in monthly and yearly statements, as well as 1099s. The Customers' letter complaint was filed 2 and 1/2 years after Claimant was terminated by Respondent and was the result of Respondent attempting to change the fee structure for such accounts. The Customers never complained to Claimant and testimony by one of the Customers at the hearing indicated he did not oppose expungement but his appearance was merely "to supply information" for the Panel.

As to Occurrence Number 1771228:

The Customer alleged certain real estate partnerships were unsuitable investments for his Individual Retirement Account and he sought recoupment of tax consequences related to such investments. The Panel found such allegation false; that the investments

were made in 2004 and 2005 but the written complaint was not filed until 2015, nearly a year after Claimant had been terminated by Respondent. All appropriate documentation (including qualified purchaser documentation) was executed by the Customer which disclosed the potential tax consequences. The Customer remained a client of Claimant during his entire tenure with Respondent and the investment was profitable.

As to Occurrence Number 1635259:

This was a written complaint which alleged that a portion of the Customer's investment in asset management funds were in gold and such was a speculative unsuitable investment. The Panel found such claim false inasmuch as this type of investment was suitable based on the Customer's recorded risk tolerance and that he was a highly sophisticated and a qualified investor. The Customer remained a client of Claimant after his claim was denied. The Customer informed counsel at the time of notice of this hearing that he would not appear, nor did he oppose expungement.

As to Occurrence Numbers 1451955 and 1725330:

Occurrence Number 1451955 was a written complaint filed against Respondent and Occurrence Number 1725330 was a FINRA Arbitration (Case Number 14-02636) filed against Respondent by the same Customer. The written complaint alleged that one of the Customer's investments was speculative and unsuitable. The arbitration claim had similar allegations related to unsuitability of an investment. The written complaint was denied by Respondent with no further action taken, while the arbitration claim was settled for a fraction of the relief requested. The Panel decided that both Occurrences were false; that the Customer was a highly sophisticated and active investor; that his varied investments were in line with his recorded risk profile and were suitable. The Panel also reviewed the settlement agreement and confirmed that Claimant was not a party to the action and did not contribute any money or sign the settlement agreement. Counsel reported that when the Customer received notice of the expungement action, he stated he would not participate nor oppose expungement.

As to Occurrence Number 1398515:

This was a written complaint against Respondent that related to the industrywide breakdown in the market for auction rate securities ("ARS"). The Customer was a highly sophisticated investor that utilized ARS in lieu of a cash account. The Panel found that Claimant was not involved in the alleged sales practice violation and that the Customer's investments were in line with his recorded risk profile. Moreover, Respondent, as part of a global settlement with regulatory bodies, repurchased the ARS securities from the Customer at par value. Claimant did not participate in any of the settlement discussions nor did he contribute to the settlement.

As to Occurrence Number 1463559:

This was a FINRA Arbitration (Case Number 10-02352) against Respondent wherein the Customer alleged an unsuitable recommendation of Lehman Structured Products and failure to follow an Order to sell the products. The Panel found that this allegation was clearly erroneous and false. The evidence indicated that this investment by the Customer was unsolicited; that the Customer reviewed the prospectus and offering material in advance of his decision to purchase, and that the investment was suitable and in line with the Customer's risk profile. Also, the Panel found that Claimant did not participate in settlement negotiations nor did he contribute to the settlement.

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 = \$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 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 = \$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 Panel, including a pre-hearing conference with the Panel, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the full Panel @ \$1,125.00/session = \$1,125.00

Pre-hearing Conference: October 12, 2020 1 session

Two (2) hearing sessions on expungement request @ \$1,125.00/session = \$2,250.00

Hearing Date: December 10, 2020 2 sessions

---

Total Hearing Session Fees = \$3,375.00

The Panel has assessed the total hearing session fees to Claimant.

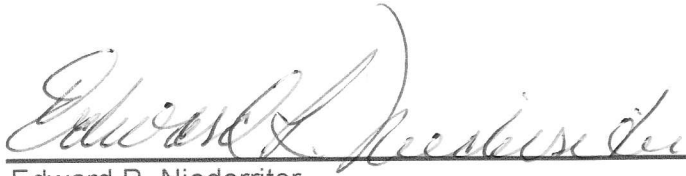
All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

**ARBITRATION PANEL**

Edward R. Niederriter	-	Public Arbitrator, Presiding Chairperson
Justin Wallace Askins	-	Public Arbitrator
Sheryl Sagel	-	Non-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.

**Concurring Arbitrators' Signatures**



Edward R. Niederriter  
Public Arbitrator, Presiding Chairperson



Signature Date

Justin Wallace Askins  
Public Arbitrator

Signature Date

Sheryl Sagel  
Non-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.

January 8, 2021

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

**ARBITRATION PANEL**

Edward R. Niederriter	-	Public Arbitrator, Presiding Chairperson
Justin Wallace Askins	-	Public Arbitrator
Sheryl Sagel	-	Non-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.

**Concurring Arbitrators' Signatures**

_____ Edward R. Niederriter Public Arbitrator, Presiding Chairperson	_____ Signature Date
_____ Justin Wallace Askins Public Arbitrator	_____ Signature Date 1/8/21
_____ Sheryl Sagel Non-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.

January 8, 2021

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

**ARBITRATION PANEL**

Edward R. Niederriter	-	Public Arbitrator, Presiding Chairperson
Justin Wallace Askins	-	Public Arbitrator
Sheryl Sagel	-	Non-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.

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Edward R. Niederriter  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Justin Wallace Askins  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Sheryl Sagel  
Non-Public Arbitrator

1/8/2021  
\_\_\_\_\_  
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.

January 8, 2021

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