

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Mario Govic

Case Number: 20-01830

vs.

Respondent
MSI Financial Services, Inc.

Hearing Site: Tampa, 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 Mario Govic (“Claimant”): Harris Freedman, Esq., HLBS Law, Westminster, Colorado.

For Respondent MSI Financial Services, Inc. (“Respondent”): Martin Harris, Esq., Harris & Affiliates, Ltd., Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: June 10, 2020.
Claimant signed the Submission Agreement: June 10, 2020.

Statement of Answer filed on or about: September 18, 2020.
Respondent signed the Submission Agreement: October 8, 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 1738181, an award of compensatory damages in the amount of \$1.00, and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent opposed Claimant's request for monetary damages and requested that all forum fees and session fees be charged to Claimant.

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 25, 2020, Claimant advised that the customers in Occurrence Number 1738181 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notices"). On December 1, 2020, Claimant filed an Affidavit confirming that the Customers were served with the Notices. Claimant also filed a copy of the FedEx tracking information available online for the Notices. On December 28, 2020, Claimant filed an updated copy of the FedEx tracking information available online for one of the Notices.

On January 20, 2021, one of the Customers ("Customer A") filed a written statement, on behalf of the Customers, in opposition to Claimant's request for expungement.

The Arbitrator conducted a recorded, telephonic hearing on February 4, 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, took no position on the request for expungement.

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 and Financial Professional Gateway information. 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 1738181, 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's insurance carrier paid Claimant's portion of the settlement amount on behalf of the Claimant.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's testimony, Respondent's representations, Customer A's written statement, and Claimant's BrokerCheck® Report and Financial Professional Gateway information.

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 Occurrence Number 1738181 from registration records maintained by the CRD for Claimant Mario Govic (CRD Number 4193397) with the understanding that, pursuant to Notice to Members 04-16, Claimant Mario Govic 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:

The Customers did not appear at the expungement hearing, but Customer A provided a written statement in opposition to Claimant’s expungement request. Based on the written statement, Claimant’s testimony, and Respondent’s representations, I conclude that the Customers’ losses in their annuities were, essentially, the results of their decisions to withdraw funds for personal reasons and not the result of Claimant’s investment advice. Therefore, their claims are false.

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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge Fee	= \$	150.00
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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 @ \$50.00/session		= \$	50.00
Pre-Hearing Conference: October 30, 2020	1 session		
One (1) hearing session on expungement request @ \$50.00/session		= \$	50.00
Hearing: February 4, 2021	1 session		
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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

Thomas J. Patka

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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

Thomas J. Patka

Thomas J. Patka
Sole Public Arbitrator

02/19/2021

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.

February 19, 2021

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