

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

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In the Matter of the Arbitration Between:

Claimant  
Ricky Mill Higgins

Case Number: 20-01930

vs.

Respondent  
ProEquities, Inc.

Hearing Site: Columbia, South Carolina

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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 Ricky Mill Higgins: Harris Freedman, Esq. and Dochter Kennedy, J.D., MBA, AdvisorLaw, LLC, Westminster, Colorado.

For Respondent ProEquities, Inc.: Kathryn Roe Eldridge, Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

**CASE INFORMATION**

Statement of Claim filed on or about: June 18, 2020.

Ricky Mill Higgins signed the Submission Agreement: June 18, 2020.

Statement of Answer filed by Respondent on or about: October 14, 2020.

ProEquities, Inc. signed the Submission Agreement: September 23, 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 denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of the amendments related to Occurrence Number 1883713 on Claimant’s CRD Form U5, and the following relevant portions of the CRD Form U4, on the basis that the statement is defamatory in nature, misleading,

inaccurate and/or erroneous; amendment of the Reason for Termination entry in Section 3 of Claimant's CRD Form U5 to read "Voluntary;" subsequent expungement of the Reason for Termination explanation on Claimant's CRD; amendment of the answer to question 7F(1) of Claimant's CRD Form U5, from a "Yes" response to "No"; amendment of the answer to question 14J(1) on Claimant's CRD Form U4 from "Yes" to "No;" and deletion of all Internal Review and Termination Disclosure Reporting Pages corresponding with Occurrence Number 1883713, in their entirety; an award of damages in the amount of \$1.00 from Respondent for its part in contributing to Claimant's injury; and any and all other relief that the Arbitrator deemed just and equitable.

In the Statement of Answer, Respondent requested that Claimant's request for monetary damages be denied in its entirety, and all fees and costs be assessed against Claimant.

On or about April 6, 2021, Claimant withdrew his 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.

The Arbitrator conducted a recorded hearing by videoconference on March 30, 2021, so the parties could present oral arguments and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and opposed the request for expungement.

The Arbitrator has provided an explanation of the decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

### **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 Ricky Mills Higgins's (CRD Number 1726947) request for expungement of Occurrence Number 1883713 from his registration records maintained by the CRD is denied.

The evidence did not support Claimant's allegation that Respondent's Form U5 termination entry is defamatory or of a defamatory nature. In Claimant's Expungement Hearing Exhibit 1, a memo dated May 20, 2016, he says that early on in his employment he was told that Universal Switch Letters ("USL") and Mutual Funds Disclosure Forms ("MFDFs") were required. Claimant also states that his office implemented the practice of "recycling or using pre-signed forms for USL and MFDFs" for many clients. In Exhibit 2, his FINRA Letter of Acceptance, Waiver and Consent, Claimant accepts and consents to FINRA's findings that "Higgins maintained customer-signed but otherwise blank forms for approximately 130 clients." Claimant stated in his sworn testimony that his staff used white-out on some customers' forms, but that he was not aware of this practice, nor did he join in it. He did agree that he was ultimately responsible for these actions by his staff.

Respondent's Form U5 statement accurately sets out the practices undertaken by Claimant and his employees. As such, it should stand as written.

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

*\*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 = \$ 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: October 19, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00  
Hearing: March 30, 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**

Patricia Ann Tracey

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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**

***Patricia Ann Tracey***

Patricia Ann Tracey  
Sole Public Arbitrator

**04/13/2021**

Signature Date

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April 13, 2021

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