

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Karen Vargas

Case Number: 20-02248

vs.

Respondents
UBS Financial Services Incorporated of Puerto Rico
UBS Financial Services, Inc.

Hearing Site: San Juan, Puerto Rico

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. Members

REPRESENTATION OF PARTIES

For Claimant Karen Vargas: Roberto C. Quinones, Esq. and Leslie Flores, Esq., McConnell Valdes, LLC, San Juan, Puerto Rico.

For Respondents UBS Financial Services Incorporated of Puerto Rico (“UBSPR”), and UBS Financial Services, Inc. (“UBS”): Rey Medina Velez, Esq., UBS Financial Services Incorporated of Puerto Rico, San Juan, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: July 16, 2020.
Karen Vargas signed the Submission Agreement: June 25, 2020.

Statement of Answer filed by Respondents on or about: August 25, 2020.
UBS Financial Services Incorporated of Puerto Rico signed the Submission Agreement: August 24, 2020.
UBS Financial Services, Inc. signed the Submission Agreement: August 24, 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, Respondents fully supported the expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1854417 and compensatory damages in the amount of \$1.00 from Respondent.

In the Statement of Answer, Respondents agreed that a finding should be entered by the Arbitrator in favor of 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 February 19, 2021, Claimant filed with FINRA Dispute Resolution Services hearing exhibits which contained a copy of the Certified Mail Receipt from the U.S. Postal Service signed on August 20, 2020, by the customer in Occurrence Number 1854417 ("Customer"). Claimant represented that the certified mailing contained a copy the Statement of Claim and all exhibits, as well as notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on March 3, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondents did participate in the expungement hearing.

The Customer did not participate in the expungement hearing. The Arbitrator found that the Customer 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 1854417, 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: Claimant's Statement of Claim with Exhibits, Respondent's Statement of Answer, and the settlement documents.

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 1854417 from registration records maintained by the CRD for Claimant Karen Vargas (CRD Number 2043544) with the understanding that, pursuant to Notice to Members 04-16, Claimant Karen Vargas 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 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.

The claim, allegation, or information is false.

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

The Claimant had limited interactions with the Customer. She spoke to the Customer once on the telephone and sent the Customer one email concerning the transaction involved. She never rendered any financial advice to the Customer. Her contact was limited to administrative and operational assistance, not financial advice.

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 parties, Respondents UBS and UBSPR are each assessed the following:

Member Surcharge = \$ 150.00

ARBITRATOR

Gerald Silverman

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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

Gerald Silverman

Gerald Silverman
Sole Public Arbitrator

03/08/2021

Signature Date

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March 09, 2021

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