

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

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In the Matter of the Arbitration Between:

Claimant  
Levant Miguel Bishop

Case Number: 20-02415

vs.

Respondent  
National Securities Corporation

Hearing Site: Chicago, Illinois

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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 Levant Miguel Bishop (“Claimant”): Jennifer P. Farrar, Esq., Farrar Law PLLC, Tomball, Texas.

For Respondent National Securities Corporation (“Respondent”): Emily A. Hayes, Esq., National Holdings Corporation, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: July 29, 2020.  
Claimant signed the Submission Agreement: July 26, 2020.

Statement of Answer filed on or about: September 16, 2020.  
Respondent signed the Submission Agreement: September 16, 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 Numbers 1718107, 1613035, 1591191, 1555603, and 1524381, 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 requested that Claimant be directed to pay all forum fees and costs, including any member surcharges, incurred in this proceeding.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages.

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

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

On March 8, 2021, Claimant advised that the customers in Occurrence Numbers 1718107, 1613035, 1591191, 1555603, and 1524381 (“Customers”) were served with the Statement of Claim and notice of the date and time of the expungement hearing. On June 21, 2021, Claimant advised that the Customers were served again with the Statement of Claim and notice of the date and time of the expungement hearing. On July 13, 2021, Claimant advised that some of the Customers were served at different addresses with the Statement of Claim and notice of the date and time of the expungement hearing. On July 20, 2021, Claimant advised that one of the Customers was served at a different address with the Statement of Claim and notice of the date and time of the expungement hearing.

On July 14, 2021, the customer in Occurrence Number 1591191 submitted an email opposing Claimant’s expungement request.

The Arbitrator conducted a recorded, telephonic hearing on July 21, 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. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Numbers 1718107, 1613035, and 1591191, considered the amount of payment made to any party to the settlements, and considered other relevant terms and conditions of the settlements. The Arbitrator 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 Arbitrator noted that the disputes related to Occurrence Numbers 1555603 and 1524381 were not settled and, therefore, there was no settlement documentation to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant’s testimony, email from the customer in Occurrence Number 1591191 opposing expungement, Claimant’s BrokerCheck® Report, and Exhibits E, G, and H.

## **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 Numbers 1718107, 1613035, 1591191, 1555603, and 1524381 from registration records maintained by the CRD for Claimant Levant Miguel Bishop (CRD Number 2665428) with the understanding that, pursuant to Notice to Members 04-16, Claimant Levant Miguel Bishop 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; and

The claim, allegation, or information is false.

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

Claimant testified that, while at Respondent, his role on the team to which he was assigned was that of a salesperson. His principal responsibility was to visit customers throughout the country and sign them up for his team. Trading was then handled by others, principally the office manager, Mr. A. All the accounts involved in the Customers' claims were non-discretionary. Claimant did not place any orders for any of the relevant Customers. All communications with the Customers regarding the placement of orders were conducted by Mr. A or another member of the team.

### **Occurrence Number 1718107**

The complaint did not distinguish among three agents as to who did what. Claimant credibly testified that he never spoke to the family after he participated in their introduction to the firm and that the family worked only with Mr. A, whom they favored. Claimant noted that when the case was settled, Mr. A contributed almost half of the settlement while Claimant paid nothing. There was no evidence that Claimant engaged in any misconduct with respect to the customers' non-discretionary accounts, including engaging in unsuitable and speculative investments, excessive trading, breach of fiduciary duty, or common law misrepresentation.

**Occurrence Number 1613035**

The customer complaint did not differentiate between the conduct engaged in by three individuals. Claimant credibly testified that his sole involvement with the customers was to participate in the meetings that resulted in them becoming customers. He had no further involvement with them. There were no documents or other materials that contradicted Claimant's testimony. The claim was ultimately settled without payment by any of three individuals. There was no evidence that Claimant engaged in any misconduct with respect to these non-discretionary accounts, including engaging in unsuitable trades, breach of fiduciary duty, negligence, or misrepresentation, and there were no specific allegations against Claimant.

**Occurrence Number 1591191**

The customer provided an email in response to notice of the expungement hearing. In the email, he stated: "I admit that I bear significant responsibility for what happened to me in the loss of around \$600,000 from multiple retirement accounts." He acknowledged that he had ignored warning letters from Respondent but alleged that Claimant repeatedly reassured him that his accounts were doing well when they were not. His letter was most critical of Claimant for advising him to invest in a penny stock company which was in the process of being liquidated. Claimant denied that he advised the customer incorrectly about his account, as that was Mr. A's role and not his. It is notable that Claimant's BrokerCheck® Report indicated that Claimant contributed nothing to the settlement, while Mr. A contributed 20% of the settlement. But, more importantly, Claimant denied that he ever advised the customer regarding the penny stock. Further, Claimant provided a copy of an unsolicited trade letter, dated two weeks after Claimant left the employ of Respondent, which was signed by the customer and ordered 190,000 shares of the penny stock. Based upon the foregoing, I determined that the customer's recollection of these events is clearly erroneous and does not support the allegation that Claimant engaged in excessive trading, churning, unsuitable recommendations, or negligence.

**Occurrence Number 1555603**

The claim submitted against Claimant by the customer was handwritten by Claimant's former colleague, who was in the process of suing him to prevent solicitation of customers after Claimant left Respondent. Claimant testified that he was not involved in either unauthorized trading or any misrepresentations. The facts regarding this claim were clearly controverted. Circumstantial evidence plays an important role in assessing the claim. One factor in favor of Claimant, with respect to whether unauthorized trades were made, was that these were non-discretionary accounts and there was no evidence that the customer registered complaints with anyone upon her receipt of confirmations for the trades that she later claimed were unauthorized. Further, the customer sent an email to Respondent after the company rejected her claim, but it was ambiguous in the sense that it referred to Claimant as having been the one who misled her but also referred to him being the individual who ran the office, which was clearly not his role, as reflected in the evidence. The evidence supports the conclusion that Claimant did not engage in unauthorized trades or make misrepresentations.

**Occurrence Number 1524381**

Claimant submitted a letter from the customer stating that Claimant was not involved in the events leading to the customer’s complaint and that, after the initial meeting with Claimant, the customer had no further communication with him. Claimant testified that he was not involved with any of the issues raised by this customer, as confirmed by the letter.

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

**Postponement Fees**

Postponements granted during these proceedings for which fees were assessed or waived:

January 5, 2021, postponement requested by Claimant = \$ 50.00

March 11, 2021, postponement requested by Claimant = \$ 50.00

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Total Postponement Fees = \$ 100.00

The Arbitrator has assessed the total postponement fees to Claimant.

**Last-Minute Cancellation Fees**

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

January 5, 2021, cancellation requested by Claimant = \$ WAIVED

March 11, 2021, cancellation requested by Claimant 600.00

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Total Last-Minute Cancellation Fees = \$ 600.00

The Arbitrator has assessed the total last-minute cancellation fees to Claimant.

**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:

Three (3) pre-hearing sessions @ \$50.00/session		= \$	150.00
Pre-Hearing Conferences:			
November 4, 2020	1 session		
January 5, 2021	1 session		
May 4, 2021	1 session		
One (1) hearing session on expungement request @ \$50.00/session		= \$	50.00
Hearing:			
July 21, 2021	1 session		
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Total Hearing Session Fees		= \$	200.00

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**

James J. Stamos - 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**

***James J. Stamos***

James J. Stamos  
Sole Public Arbitrator

**08/26/2021**

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.

August 26, 2021

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