

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

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In the Matter of the Arbitration Between:

Claimant  
Ritchy Guy Scoggin

Case Number: 20-02590

vs.

Respondent  
UBS Financial Services Inc.

Hearing Site: Houston, Texas

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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 Ritchy Guy Scoggin (“Claimant”): Erika Binnix, Esq. and Dochter Kennedy, Esq., AdvisorLaw, LLC, Westminster, Colorado.

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

**CASE INFORMATION**

Statement of Claim filed on or about: August 12, 2020.  
Amended Statement of Claim filed on or about: September 10, 2020.  
Claimant signed the Submission Agreement: August 11, 2020.

Statement of Answer filed on or about: September 13, 2020.  
Respondent signed the Submission Agreement: August 12, 2020.

**CASE SUMMARY**

In the Amended 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 did not oppose Claimant’s expungement request.

**RELIEF REQUESTED**

In the Amended Statement of Claim, Claimant requested expungement of Occurrence Number

1499450, 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 objected to Claimant's request for \$1.00 in compensatory damages.

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 February 9, 2021, Claimant advised that the customer in Occurrence Number 1499450 ("Customer") was served with the Amended Statement of Claim and notice of the date and time of the expungement hearing ("Initial Notice"). On February 15, 2021, Claimant filed an Affidavit confirming that the Customer was served with the Initial Notice. Claimant also filed a copy of the FedEx tracking information available online for the Initial Notice.

On April 1, 2021, Claimant advised that the Customer's common law spouse (together with the Customer, collectively "Customers") was served with the Amended Statement of Claim and notice of the date and time of the rescheduled expungement hearing and the Customer was served with notice of the date and time of the rescheduled expungement hearing ("2<sup>nd</sup> Notices"). On April 5, 2021, Claimant filed an Affidavit confirming that the Customers were served with the 2<sup>nd</sup> Notices. On April 6, 2021, Claimant filed copies of the FedEx tracking information available online for the 2<sup>nd</sup> Notices.

On May 14, 2021, Claimant advised that the Customers were served with notice of the date and time of the next rescheduled expungement hearing ("3<sup>rd</sup> Notices"). On May 17, 2021, Claimant filed an Affidavit confirming that the Customers were served with the 3<sup>rd</sup> Notices. On May 18, 2021, Claimant filed a copy of the FedEx tracking information available online for the 3<sup>rd</sup> Notices.

The Arbitrator conducted a recorded, telephonic hearing on June 10, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing.

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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1499450, 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: Statement of Claim, Amended Statement of Claim, Statement of Answer, Claimant's testimony, Claimant's Exhibits 1-2, BrokerCheck® Report, Affidavits of Service, Initial Notice, 2<sup>nd</sup> Notice, and 3<sup>rd</sup> Notice.

### **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 1499450 from registration records maintained by the CRD for Claimant Ritchy Guy Scoggin (CRD Number 3139618) with the understanding that, pursuant to Notice to Members 04-16, Claimant Ritchy Guy Scoggin 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 factually impossible or clearly erroneous.

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

The Customers purchased an auction rate security ("ARS") in 2007. Claimant met with the Customers prior to and after the investment was made. At the time, the investment was suitable for the Customers. Claimant explained the investment to the Customers and was confident the Customers understood it. The Customers also received written information regarding the investment before and after the investment was made.

Beginning in 2008, the ARS market changed. The ARS was later repurchased in 2010 by Respondent, due to the widespread illiquidity in the ARS market.

The Arbitrator is satisfied that, at the time of purchase, the investment was suitable and the Customers understood the risks. Further, the Customers' claim did not arise out of the ARS sale but, rather, arose out of the subsequent illiquidity of the investment.

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:

Two (2) pre-hearing sessions @ \$50.00/session = \$ 100.00

Pre-Hearing Conferences: January 19, 2021 1 session  
March 31, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00

Hearing: June 10, 2021 1 session

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Total Hearing Session Fees = \$ 150.00

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**

Sherry R. Wetsch

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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**

***Sherry R. Wetsch***

Sherry R. Wetsch  
Sole Public Arbitrator

**06/15/2021**

Signature Date

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June 15, 2021

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