

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Robert Collins Ryan III

Case Number: 20-02793

vs.

Respondent
Royal Alliance Associates, Inc.

Hearing Site: San Francisco, California

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 Robert Collins Ryan III (“Claimant”): Zachary Morse, Esq., HLBS Law, Westminster, Colorado.

For Respondent Royal Alliance Associates, Inc. (“Respondent”): Tyler Jacobs, Esq., Freeman Mathis & Gary, LLP, Seal Beach, California.

CASE INFORMATION

Statement of Claim filed on or about: August 25, 2020.
Claimant signed the Submission Agreement: August 25, 2020.

Statement of Answer filed by Respondent on or about: September 10, 2020.
Respondent signed the Submission Agreement: September 10, 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 did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Numbers 1269320 and 2071946 from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Numbers 1269320 and 2071946 from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. Deletion of all Disclosure Reporting Pages accompanying Occurrence Numbers 1269320 and 2071946;
4. Compensatory damages in the amount of \$1.00 from Respondent; and
5. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent did not set forth a specific request for relief.

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 July 13, 2021, Claimant advised that the customers in Occurrence Numbers 1269320 ("Mr. D") and 2071946 ("Mr. H") were served with the Statement of Claim and notice of the date and time of the expungement hearing.

Hereinafter, Mr. D and Mr. H are collectively referred to as the "Customers".

On July 19, 2021, Claimant filed an Affidavit confirming that the Customers were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on August 25, 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, did not oppose 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 noted that the dispute related to Occurrence Number 1269320 was not settled and, therefore, there was no settlement document to review.

The Arbitrator reviewed the settlement documentation related to Occurrence Number 2071946, 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. The Arbitrator noted that Claimant contributed to the settlement amount. The Arbitrator also noted that expungement is still appropriate as the settlement was not an admission of fault and Claimant contributed to the settlement as a business decision to avoid further distractions based on the claim.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the Statement of Claim; Claimant's BrokerCheck® Report; evidence of service on the Customers; and Claimant's testimony.

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 1269320 and 2071946 from registration records maintained by the CRD for Claimant Robert Collins Ryan III (CRD Number 2784775) with the understanding that, pursuant to Notice to Members 04-16, Claimant Robert Collins Ryan III 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 claim, allegation, or information is false.

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

Occurrence Numbers 1269320 and Occurrence Numbers 2071946 are clearly erroneous and false.

For Occurrence Number 1269320, Mr. D showed Claimant a statement for a currently owned annuity which reflected no gain. Mr. D failed to disclose to Claimant that the annuity had already been exchanged with tax deferral approximately five times and, therefore, Claimant was unaware that the liquidation of the annuity would result in sizable capital gains losses. The fact that Mr. D was unaware that the exchange could result in capital gains taxes is a direct result of his own failure to disclose to Claimant all paperwork related to the annuity and the various exchanges that had already been executed.

For Occurrence Number 2071946, Mr. H complained that the holdings in his trust were sold without his approval. The Arbitrator finds that this claim is false. Mr. H requested the transfer of his late wife’s trust from Respondent to Morgan Stanley. However, the trust’s holdings were comprised of nine mutual funds, none of which were eligible to be held at Morgan Stanley. Mr. H directed Claimant to liquidate the assets in the trust that had been rejected by Morgan Stanley. Mr. H believed that only three of the nine funds had been rejected. Claimant’s staff liquidated the entirety of the trust at Mr. H’s directive. Respondent investigated the complaint and determined there was no wrongdoing on the part of Claimant and that the liquidation had been processed at Mr. H’s request. As a gesture of goodwill, Mr. H was offered a settlement amount to resolve the matter. Therefore, FINRA Rules 2080(b)(1)(A) and (C) apply, and the claim was clearly erroneous and 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

**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:

June 3, 2021, postponement requested by Claimant = \$ Waived

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: December 22, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: August 25, 2021 1 session

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

Helen Marinak Blohm

-

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

Helen Marinak Blohm

Helen Marinak Blohm
Sole Public Arbitrator

09/09/2021

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.

September 09, 2021

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