

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
John Reed Mickelson

Case Number: 20-02907

vs.

Respondent
Cambridge Investment Research, Inc.

Hearing Site: Salt Lake City, Utah

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 John Reed Mickelson (“Claimant”): Michael O’Gara, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Cambridge Investment Research, Inc. (“Respondent”): Kristina Bransetter, Esq., Cambridge Investment Research, Inc., Fairfield, Iowa.

CASE INFORMATION

Statement of Claim filed on or about: September 1, 2020.
Claimant signed the Submission Agreement: September 1, 2020.

Statement of Answer filed by Respondent on or about: October 12, 2020.
Respondent signed the Submission Agreement: September 5, 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, denied any allegation of wrongdoing, and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number 2078541 from Claimant's CRD records pursuant to FINRA Rule 2080 as:
 - a. the claim, allegation, or information is factually impossible or clearly erroneous; and/or
 - b. Claimant was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and/or
 - c. the claim, allegation, or information is false;
2. Compensatory damages in the amount of \$1.00 from Respondent; and
3. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

1. All claims directed against Respondent be dismissed;
2. All forum fees be assessed against Claimant pursuant to FINRA Rule 13805(d);
3. Costs and expenses incurred in defending the action be awarded in favor of Respondent; and
4. Such other relief as the Arbitrator deems appropriate.

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 January 21, 2021, Claimant advised that the customer in Occurrence Number 2078541 ("Customer") was served with the Statement of Claim and notice of the date and time of the expungement hearing. On January 26, 2021, Claimant filed an Affidavit confirming that the Customer was 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 May 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 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 noted that the dispute related to Occurrence Number 2078541 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: pleadings; Claimant's exhibits; Claimant's BrokerCheck® Report; 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 Number 2078541 from registration records maintained by the CRD for Claimant John Reed Mickelson (CRD Number 2628700) with the understanding that, pursuant to Notice to Members 04-16, Claimant John Reed Mickelson 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:

Having reviewed the pleadings submitted for this case, the exhibits admitted at the hearing, and the testimony from Claimant, the Arbitrator finds the allegations of improper suitability and lack of understanding of the risk involved with the investment to be false and clearly erroneous. The evidence demonstrated that the investment at issue was brought to Claimant by the Customer. At the time, Claimant offered, and suggested, several alternative investments to the Customer. The Customer made the purchase of his own accord without Claimant's recommendation.

The Arbitrator has reviewed Claimant's CRD records and BrokerCheck® Report and finds no other occurrences to be aware of. Since the complaint was withdrawn prior to any hearing of the issue, there was no settlement agreement to review. The Arbitrator does not find any reason that this record would aid or assist future investors concerning the brokers they deal with. It would not provide regulators assistance in fulfilling their regulatory responsibilities or to prospective broker-deal employers, who rely on the information when making hiring decisions.

Further, because the claim was withdrawn before any evidentiary hearings, it is assumed that the allegations are factually impossible or clearly erroneous.

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
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**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
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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 23, 2020	1 session	

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

Total Hearing Session Fees	=\$	100.00
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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

Donald N. Tolin

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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

Donald N. Tolin

Donald N. Tolin
Sole Public Arbitrator

06/22/2021

Signature Date

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June 22, 2021

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