

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Michael Leonard Wallace

Case Number: 20-03008

vs.

Respondent

USAllianz Securities, Inc.

Hearing Site: Detroit, Michigan

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 Michael Leonard Wallace (“Claimant”): Chelsea Masters, Esq., HLBS Law, Westminster, Colorado.

For Respondent USAllianz Securities, Inc., Questar Capital Corporation appeared as the real party in interest (“Respondent”): Devin W. Bone, Esq., Paesano Akkashian Apkarian, PC, Bloomfield Hills, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: September 4, 2020.

Claimant signed the Submission Agreement: September 4, 2020.

Statement of Answer filed on or about: December 7, 2020.

Respondent signed the Submission Agreement: December 4, 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 expungement of Occurrence Number 1265882, 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 denial of Claimant's request for \$1.00 in compensatory damages.

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 April 29, 2021, Claimant filed death records and obituaries for the customers in Occurrence Number 1265882 ("Customers").

The Arbitrator conducted a recorded, telephonic hearing on July 6, 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 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 was unable to review settlement documentation related to Occurrence Number 1265882. The Arbitrator noted that Claimant filed a notice stating that the parties do not have any settlement documentation. Based on Claimant's testimony, the Arbitrator also noted 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, Claimant's BrokerCheck® Report, Claimant's testimony, and Claimant's post-hearing submissions.

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 1265882 from registration records maintained by the CRD for Claimant Michael Leonard Wallace (CRD Number 2237683) with the understanding that, pursuant to Notice to Members 04-16, Claimant Michael Leonard Wallace 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; and

The claim, allegation, or information is false.

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

The evidence showed that Claimant fully explained all of the features and terms of the Customers’ annuities in meetings with the Customers, Claimant obtained information and documentation as to the investment objectives of the Customers, and the recommended annuities were suitable for the Customers’ objectives. The Customers received full disclosure documentation about each of the annuities and executed acknowledgements that they had received the documentation. There was no evidence of misrepresentation, fraud, or breach of fiduciary duty on the part of Claimant or his brokerage firm.

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:

One (1) pre-hearing session @ \$50.00/session = \$ 50.00
Pre-Hearing Conference: January 22, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: July 6, 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

Patrick R. Sughroue

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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

Patrick R. Sughroue

Patrick R. Sughroue
Sole Public Arbitrator

07/23/2021

Signature Date

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July 23, 2021

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