

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Michael Leonard Wallace

Case Number: 20-03009

vs.

Respondent

IAC 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.

Respondent IAC Securities, Inc. (“Respondent”) did not appear.

CASE INFORMATION

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

Claimant signed the Submission Agreement: September 4, 2020.

Respondent did not file a Statement of Answer or sign the Submission Agreement.

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”).

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1364106, compensatory damages in the amount of \$1.00, and any and all other relief that the Arbitrator deems just and equitable.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages and for any and all other relief that the Arbitrator deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On June 10, 2021, Claimant filed a Lexis-Nexis Death Record for the customer in Occurrence Number 1364106.

The Arbitrator conducted a recorded, telephonic hearing on July 19, 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 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 1364106 was 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, Statement of Claim, BrokerCheck® Report, Lexis-Nexis Death Record for the Customer and Affidavit of Service.

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:

The Arbitrator recommends the expungement of all references to Occurrence Number 1364106 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, 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 Customer was not a customer of Claimant. Claimant never met or talked with the Customer. Claimant made no representations of any kind to the Customer and did not make any investment decisions or recommendations concerning the Customer. Claimant counter-signed an incentive program document that arose as a result of the sales in question. This counter-signing by Claimant did not have anything to do with soliciting, authorizing, or executing the purchases done by or for the Customer. Any person viewing the allegation on Claimant's CRD or BrokerCheck records would reasonably infer that the allegation was truthful and that Claimant had committed fraudulent acts. The implication of the allegation on Claimant's CRD and BrokerCheck records is false. The public disclosure of the false allegations does not offer any public protection and has no regulatory value.

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: March 12, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: July 19, 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

Lee Hornberger

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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

Lee Hornberger

Lee Hornberger
Sole Public Arbitrator

08/02/2021

Signature Date

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August 02, 2021

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