

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

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In the Matter of the Arbitration Between:

Claimant  
Troy Allan Chesnut

Case Number: 20-03029

vs.

Respondent  
Avantax Investment Services, Inc.

Hearing Site: Dallas, 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 Troy Allan Chesnut (“Claimant”): Chelsea Masters, Esq. and Doctor Kennedy, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Avantax Investment Services, Inc. (“Respondent”): Judith A. Knudsen, Esq., Avantax Wealth Management, Dallas, Texas.

**CASE INFORMATION**

Statement of Claim filed on or about: September 8, 2020.  
Claimant signed the Submission Agreement: September 4, 2020.

Statement of Answer filed on or about: October 27, 2020.  
Respondent signed the Submission Agreement: October 30, 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 1125276, 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 compensatory damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On May 11, 2021, Claimant advised that one of the customers in Occurrence Number 1125276 was deceased and the other customer ("Customer") was served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notice"). On May 17, 2021, Claimant filed an Affidavit confirming that the Customer was served with the Notice. Claimant also filed a copy of the Fedex tracking information available online for the Notice.

The Arbitrator conducted a recorded, telephonic hearing on June 30, 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 also reviewed the settlement documentation related to Occurrence Number 1125276, 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, Statement of Answer, Claimant's BrokerCheck® Report, Claimant's testimony, settlement documentation, and Claimant's post-hearing submission.

### **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 1125276 from registration records maintained by the CRD for Claimant Troy Allan Chesnut (CRD Number 1857549) with the understanding that, pursuant to Notice to Members 04-16,

Claimant Troy Allan Chesnut 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 decided to purchase shares in particular funds, including a high yield fund, and signed all the appropriate subscription and disclosure documents. The funds performed very well through February 2000.

The customers wanted to participate in the dramatic upturn in technology stocks, by shifting all of their assets in the various funds into a technology fund. Claimant talked them out of this undiversified strategy. However, the customers still proceeded to sell some of their high yield fund in order to purchase shares of a technology fund. Soon after the customers’ purchase, the dotcom bubble burst and they lost money invested in the technology fund. The customers filed a lawsuit against Claimant and Respondent. Claimant was opposed to any kind of settlement.

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 @ \$50.00/session		= \$	50.00
Pre-Hearing Conference: January 20, 2021	1 session		
One (1) hearing session on expungement request @ \$50.00/session		= \$	50.00
Hearing: June 30, 2021	1 session		
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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**

C. Sumpter Logan

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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**

***C. Sumpter Logan***

C. Sumpter Logan  
Sole Public Arbitrator

**07/16/2021**

Signature Date

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July 16, 2021

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