

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

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In the Matter of the Arbitration Between:

Claimant  
Joanna Moran

Case Number: 20-03061

vs.

Respondent  
Cetera Advisor Networks LLC

Hearing Site: Reno, Nevada

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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 Joanna Moran (“Claimant”): Christina Z. Vourakis, Esq., Winget Spadafora & Schwartzberg LLP, Los Angeles, California.

For Respondent Cetera Advisor Networks LLC (“Respondent”): David Feldstein, Esq., Cetera Financial Group, New York, New York.

**CASE INFORMATION**

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

Statement of Answer filed on or about: October 29, 2020.  
Respondent signed the Submission Agreement: October 28, 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 Number 2057162 from Claimant's CRD records pursuant to FINRA Rule 2080(b)(1)(A) and (C); and
2. Compensatory damages in the amount of \$1.00 from Respondent.

In the Statement of Answer, Respondent requested:

1. A statement from the Arbitrator on the issue of whether to order recommending that the customer complaint be expunged from Claimant's CRD records in the form required by FINRA Rule 2080;
2. Claimant's request for \$1.00 in compensatory damages be denied; and
3. An order that all forum costs and fees are assessed against Claimant.

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 May 5, 2021, Claimant advised that the customers in Occurrence Number 2057162 ("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 May 25, 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 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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 2057162, 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; Claimant's testimony; Claimant's BrokerCheck® Report; and the settlement agreement.

### **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 2057162 from registration records maintained by the CRD for Claimant Joanna Moran (CRD Number 4457945) with the understanding that, pursuant to Notice to Members 04-16, Claimant Joanna Moran 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:

Respondent chose not to participate but its counsel, David Feldstein, stated that Respondent did not oppose Claimant’s request for expungement. Briefly, the Customers alleged that two investments at issue, Northstar Healthcare Income, Inc. and Northstar Real Estate Income II, Inc. (“REITs”), were unsuitable given their risk profile. Claimant satisfied all suitability obligations by conducting a reasonable-basis analysis of the investments chosen by the Customers that were customer-specific. The Customers were “qualified investors” who were sophisticated and stated that they could afford to lose the entire investments which only represented 16% of their portfolio with Respondent. Claimant testified that she thoroughly discussed the investments and their risks at length with the Customers. The Customers’ losses resulted solely from economic and market forces, and not by any act or omissions by Claimant.

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 that employed the associated person at the time of the event 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 with a single Arbitrator @ \$50.00/session	= \$	50.00
Pre-Hearing Conference: December 16, 2020	1 session	
One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: May 25, 2021	1 session	
<b>Total Hearing Session Fees</b>	<b>= \$</b>	<b>100.00</b>

Per the Parties' agreement, the total hearing session fees are assessed to Claimant.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

**ARBITRATOR**

Michael Lancaster Garcia

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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**

***Michael Lancaster Garcia***

Michael Lancaster Garcia  
Sole Public Arbitrator

**06/07/2021**

Signature Date

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June 07, 2021

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