

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Meagan Nicole Phelps

Case Number: 20-03176

vs.

Respondents
Madison Avenue Securities, LLC
Syndicated Capital, Inc.

Hearing Site: Los Angeles, California

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. Members

REPRESENTATION OF PARTIES

For Claimant Meagan Nicole Phelps (“Claimant”): Zachary Hayes-Macaluso, Esq., FA Expungement, LLC, Denver, Colorado.

For Respondent Madison Avenue Securities, LLC (“MAS”): Jeffrey S. Kob, Esq., Kob Law, Coronado, California.

Respondent Syndicated Capital, Inc. (“Syndicated”) did not enter an appearance.

Hereinafter, MAS and Syndicated are collectively referred to as “Respondents.”

CASE INFORMATION

Statement of Claim filed on or about: September 11, 2020.
Amended Statement of Claim filed on or about: January 19, 2021.
Claimant signed the Submission Agreement: March 23, 2021.

Statement of Answer filed by MAS on or about: November 13, 2020.
MAS did not sign the Submission Agreement.

Syndicated 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”).

In the Amended Statement of Claim, Claimant named Syndicated as an additional Respondent.

In its Statement of Answer, MAS supported Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number 1916638 from Claimant’s CRD records in accordance with FINRA Rule 2080(b)(1)(C), pursuant to a finding that the claim, allegation, or information is false; and
2. Compensatory damages in the amount of \$1.00 from MAS.

In the Amended Statement of Claim, Claimant withdrew the relief request of \$1.00 in compensatory damages from MAS.

In its Statement of Answer, MAS did not set forth a specific relief request.

OTHER ISSUES CONSIDERED AND DECIDED

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

MAS did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (“Code”) and, having answered the claim, appeared, and testified at the hearing, is bound by the determination of the Arbitrator on all issues submitted.

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

Syndicated did not file a Statement of Answer. The Arbitrator determined that Syndicated was served with the Claim Notification letter dated February 2, 2021, by regular mail.

The Claim Notification letter notified Syndicated that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Syndicated failed to register for the DR Portal.

The Arbitrator determined that Syndicated is, therefore, bound by the Arbitrator’s ruling and determination.

On January 22, 2021, Claimant filed a Motion to Amend the Statement of Claim, in which no response was made. On February 2, 2021, the Arbitrator granted the motion.

On February 11, 2021, the parties filed their joint agreement to have this matter be heard and decided by a single arbitrator.

On May 7, 2021, Claimant advised that the customer in Occurrence Number 1916638 ("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 June 10, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

MAS 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 1916638, 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: pleadings; Claimant's exhibits; 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:

The Arbitrator recommends the expungement of all references to Occurrence Number 1916638 from registration records maintained by the CRD for Claimant Meagan Nicole Phelps (CRD Number 4064499) with the understanding that, pursuant to Notice to Members 04-16, Claimant Meagan Nicole Phelps 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 finding of fact:

The claim, allegation, or information is false.

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

The Customer was experienced and qualified, with high net worth and high risk tolerance. The investments in question were fully explained and acceptance of the offering memorandums was acknowledged in writing by the Customer. The investments in question totaled less than 15% of the Customer's investment portfolio, and the claim for damages was filed more than six years after the investments were made. Claimant was not a party to the underlying arbitration and did not contribute to the settlement.

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	= \$	1,575.00
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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 parties, Respondents are each assessed the following:

Member Surcharge	= \$	1,900.00
Member Process Fee	= \$	3,750.00

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: January 13, 2021	1 session	
One (1) hearing session on expungement request @ \$450.00/session	= \$	450.00
Hearing: June 10, 2021	1 session	
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Total Hearing Session Fees	= \$	500.00

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

Benjamin F. Breslauer

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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

Benjamin F. Breslauer

Benjamin F. Breslauer
Sole Public Arbitrator

07/01/2021

Signature Date

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July 02, 2021

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