

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Daniel Karlsberg

Case Number: 20-03670

vs.

Respondent
Edward Jones

Hearing Site: Phoenix, Arizona

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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Daniel Karlsberg (“Claimant”): Chelsea Masters, Esq. and Dochter Kennedy, MBA, J.D., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Edward Jones (“Respondent”): Melanie L. Ronen, Esq. and Connor M. Trafton, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed on or about: October 29, 2020.

Claimant signed the Submission Agreement: October 29, 2020.

Statement of Answer filed by Respondent on or about: December 18, 2020.

Respondent signed the Submission Agreement: December 17, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim alleging that the Form U5 filed by Respondent, as part of the registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature.

In the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. An award granting expungement of the Form U5 corresponding with Occurrence Number 1955424 and those relevant portions of the Form U4, form Claimant's CRD records, on the basis that the statement is defamatory in nature, misleading, inaccurate, and/or erroneous to include:
 - a. amendment to the Reason for Termination entry in Section 3 of Claimant's Form U5 to read "Voluntary";
 - b. expungement of the Reason for Termination explanation on Claimant's CRD records;
 - c. amendment of the answer to question 7F(1) of Claimant's Form U5, from a "Yes" response to "No"; and
 - d; deletion of the Termination Disclosure Reporting Pages accompanying Occurrence Number 1955424;
2. An award of damages in the amount of \$1.00 from Respondent for its part in contributing to Claimant's injury; and
3. Any other relief as the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

1. Claimant take nothing by way of his Statement of Claim;
2. Claimant's request for expungement be denied;
3. Costs of suit incurred herein; and
4. For such other and further relief as the Arbitrator may deem just and proper.

At the hearing, Claimant withdrew his 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 January 4, 2022, the parties filed a Joint Agreement and Stipulation ("Agreement") on Claimant's request for expungement of his Form U5.

The Arbitrator has provided an explanation of the decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

FINDINGS

Claimant was straightforward and honest in his testimony. Additionally, it is logical that Claimant's administrator would process the paperwork involved in this matter. No harm was done to the client and the papers were corrected. Respondent did not contest the expungement, as the Agreement was signed by the parties that Respondent did not engage in any wrongdoing or defame Claimant regarding his employment termination or in any filings made in connection with the Form U5. Respondent's reporting of the termination of Claimant's employment on the U5, the CRD records, or elsewhere was not defamatory or defamatory in nature.

The Agreement states:

Respondent did not engage in any wrongdoing or defame Claimant in connection with any of the matters at issue in or related to the above-captioned arbitration including, without limitation, in connection with Claimant's employment and termination of same, any reports, disclosures, filings, and/or statements Respondent made concerning any of the matters and/or occurrences that are identified in the Statement of Claim on Claimant's Form U-5 or elsewhere on Claimant's Central Registration Depository record.

Respondent's reporting of the termination of Claimant's employment on Claimant's Form U-5 or elsewhere on Claimant's Central Registration Depository record is not defamatory or defamatory in nature.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Daniel Karlsberg's (CRD Number 6107642) Form U5 filed by Edward Jones on October 20, 2017 and maintained by the Central Registration Depository ("CRD"). The Reason for Termination shall be changed to "Voluntary." The Termination Explanation should be deleted in its entirety and shall appear blank. This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The Arbitrator further recommends the expungement of all references to Occurrence Number 1955424 from the registration records maintained by the CRD for Daniel Karlsberg. Any "Yes" answers should be changed to "No," as applicable.

The above recommendations are made with the understanding that the registration records are not automatically amended. Daniel Karlsberg must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure ("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

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

September 21-23, 2021, postponement requested by Claimant = WAIVED

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: February 16, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: January 5, 2022 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

Walter Steven Schwartz

-

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

Walter Steven Schwartz

Walter Steven Schwartz
Sole Public Arbitrator

02/01/2022

Signature Date

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.

February 01, 2022

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