

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

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In the Matter of the Arbitration Between:

Claimant  
Howard Schall Hill

Case Number: 20-03918

vs.

Respondent  
World Capital Brokerage, Inc.

Hearing Site: Denver, Colorado

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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

This case was administered under the Special Proceeding option for simplified cases.

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Howard Schall Hill (“Claimant”): Zachary Morse, Esq. and Dochtor Kennedy, MBA, J.D., HLBS Law, Westminster, Colorado.

For Respondent World Capital Brokerage, Inc. (“Respondent”): David von Gunten, Esq., Von Gunten Law LLC, Denver, Colorado.

**CASE INFORMATION**

Statement of Claim filed on or about: November 27, 2020.  
Amended Statement of Claim filed on or about: January 8, 2021.  
Claimant signed the Submission Agreement: November 27, 2020.

Statement of Answer filed by Respondent on or about: February 10, 2021.  
Respondent signed the Submission Agreement: March 2, 2021.

**CASE SUMMARY**

In the Statement of Claim and Amended Statement of Claim, Claimant asserted a claim alleging that the Form U5 filed by Respondent, as part of 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 and Amended Statement of Claim, Claimant requested:

1. An award granting expungement of the Form U5 corresponding with Occurrence Number 2085589, and those relevant portions of the Form U4, from Claimant's CRD records on the basis that the statement is defamatory in nature, misleading, inaccurate, and/or erroneous, to include:
  - a. amendment of the Reason for Termination entry in Section 3 of Claimant's Form U5 to "Voluntary;"
  - b. expungement of the Reason for Termination explanation on Claimant's CRD;
  - c. amendment of the answers to questions 7B, 7F(1), and 7F(2) of Claimant's Form U5, from "Yes" responses to "No;" and
  - d. deletion of the Internal Review and Termination Disclosure Reporting Pages accompanying Occurrence Number 2085589;
2. Damages in the amount of \$1.00 from Respondent; and
3. Any other relief as the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

1. Claimant's claim be dismissed; and
2. An award for attorneys' fees and costs.

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 March 2, 2021, Respondent filed a Motion to Dismiss. On March 29, 2021, Claimant filed a response opposing the Motion to Dismiss. On May 20, 2021, the Arbitrator heard oral arguments on the Motion to Dismiss. On May 24, 2021, the Arbitrator denied Respondent's Motion to Dismiss.

### **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 Howard Schall Hill's (CRD Number 2349350) Form U5 filed by World Capital Brokerage, Inc. on August 28, 2020 and maintained by the Central Registration Depository ("CRD"). The Reason for Termination shall be changed to "Permitted to Resign." The Termination Explanation shall be deleted in its entirety and replaced with the following language: "Registered Representative mistakenly modified the expiration date of an expired government-issued identification for the customer on the customer's new account

application with World Capital Brokerage, Inc.” 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 Numbers 2085588 and 2085589 from the registration records maintained by the CRD for Howard Schall Hill. 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. Howard Schall Hill 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, including any requests for attorneys’ fees, 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
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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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#### **Late Pre-Hearing Cancellation Fees**

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

July 29, 2021, cancellation requested by Respondent	=	WAIVED
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#### **Postponement Fees**

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

July 29, 2021, postponement requested by Claimant	= \$	50.00
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Total Postponement Fees	= \$	50.00
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The Arbitrator has assessed the total postponement fees to Claimant.

**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:

Three (3) pre-hearing sessions with a single Arbitrator @ \$50.00/session	= \$	150.00
Pre-Hearing Conferences: April 5, 2021	1 session	
May 20, 2021	1 session	
September 1, 2021	1 session	
One (1) hearing session @ \$50.00/session	= \$	50.00
Hearing: December 9, 2021	1 session	
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Total Hearing Session Fees	= \$	200.00

The Arbitrator has assessed \$75.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$125.00 of the hearing session fees to Respondent.

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

**ARBITRATOR**

Richard Djokic

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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**

***Richard Djokic***

Richard Djokic  
Sole Public Arbitrator

**12/17/2021**

Signature Date

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December 17, 2021

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