

**Amended Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimants

Jorge L. Guerrero
María De Los Ángeles Espada

Case Number: 20-04220

vs.

Respondent

Popular Securities, LLC

Hearing Site: San Juan, Puerto Rico

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: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Jorge L. Guerrero and María De Los Ángeles Espada: Luis E. Miñana, Esq., Espada, Miñana & Pedrosa Law Offices, PSC, San Juan, Puerto Rico.

For Respondent Popular Securities, LLC: María T. Alvarez-Santos, Esq., Popular, Inc., San Juan, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: December 30, 2020.

Jorge L. Guerrero signed the Submission Agreement: November 2, 2020.

María De Los Ángeles Espada signed the Submission Agreement: November 2, 2020.

Statement of Answer filed by Respondent on or about: March 8, 2021.

Popular Securities, LLC signed the Submission Agreement: February 8, 2021.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: violation of numerous sections of the Securities and Exchange Act; violation of the Puerto Rico Securities Act – 10 L.P.R.A. § 890; fault, fraud, deceit, recklessness, and negligence; and rescission of contract, nullity of purchases and loans, and nullity of waivers. The causes of action relate to the

sale of Puerto Rico Bonds (“PR Bonds”) and shares of Puerto Rico Closed End Funds (“CEFs”), hereinafter referred to collectively as “PR Securities.”

Unless specifically admitted 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, Claimants requested: no less than the totality of Claimants’ economic losses caused by Respondent’s actions as alleged herein, in an amount approximately equal to \$250,000.00; the monies paid by Claimants for the purchase of the PR Securities, in an unspecified amount to be determined at the hearing; attorneys’ fees in the unspecified amount to be determined by the Panel, plus the reimbursement of arbitration and litigation costs and expenses to be determined at the hearing; legal interest accrued over the foretold monetary amounts since the filing of this claim in an unspecified amount to be determined at the hearing; and any such other and further relief, as the arbitration Panel deems just and appropriate.

In the Statement of Answer, Respondent requested that the Panel reject Claimants’ Statement of Claim in its entirety and award Respondent reasonable attorneys’ fees and expenses for having to defend against this baseless claim.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

On September 20, 2021, Respondent filed a Motion to Dismiss pursuant to Rule 12206 of the Code of Arbitration Procedure (“Code”). On November 9, 2021, Claimants filed a response opposing the Motion to Dismiss. On November 15, 2021, Respondent filed a reply in support of the Motion to Dismiss. On December 8, 2021, the Panel heard oral arguments on the Motion to Dismiss. On December 9, 2021, the Panel granted the Motion to Dismiss, and provided the following explanation:

On December 8, 2021, the Panel held a recorded pre-hearing conference to hear oral arguments on Respondent’s Motion to Dismiss dated September 20, 2021, Claimants’ Response in Opposition to Respondent’s Motion to Dismiss dated November 9, 2021 and Respondents’ Reply in Support of Its Motion to Dismiss dated November 15, 2021.

The Panel unanimously granted Respondent’s Motion to Dismiss pursuant to Rule 12206 of the Code on the grounds that more than six (6) years have elapsed from the occurrence or event giving rise to the claims.

Claimants filed their Statement of Claim on December 30, 2020. The last Puerto Rico security purchased in Claimants’ account at Respondent was purchased on August 9, 2012. All claims stemming from the purchase of PR Securities on or before December 30, 2014 are ineligible for arbitration. The collapse in the market of PR Securities occurred on or around August and September of 2013. Claimants would have been aware of this market collapse no later than when they received their October 2013 account statement from Respondent.

The evidence in the oral arguments, pleadings, motion, opposition, and reply demonstrate that the last occurrence or event was more than six (6) years prior to the filing of Claimants' Statement of Claim.

Respondent's Motion to Dismiss pursuant to Rule 12206 of the Code is granted by the Panel without prejudice to any right Claimants have to file in court; Claimants are not prohibited from pursuing their claims in court pursuant to Rule 12206(b) of the Code.

The Award is amended to clarify that the Panel's dismissal of the case is without prejudice to any right Claimants have to file in court.

The Panel 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.

The Award in this matter may be executed in counterpart copies.

AWARD

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

1. Claimants' claims against Respondent are dismissed without prejudice pursuant to Rule 12206 of the Code.

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	= \$ 1,425.00
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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	= \$ 1,900.00
Member Process Fee	= \$ 3,750.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	2,250.00
Pre-Hearing Conferences: April 19, 2021	1 session	
December 8, 2021	1 session	

Total Hearing Session Fees	= \$	2,250.00
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The Panel has assessed \$1,125.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$1,125.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Robert G. Falbisaner	-	Public Arbitrator, Presiding Chairperson
Jaime Rosario	-	Public Arbitrator
Wanda L Esteras	-	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.

Concurring Arbitrators' Signatures

Robert G. Falbisaner

Robert G. Falbisaner
Public Arbitrator, Presiding Chairperson

12/14/2021

Signature Date

Jaime Rosario

Jaime Rosario
Public Arbitrator

12/14/2021

Signature Date

Wanda L Esteras

Wanda L Esteras
Public Arbitrator

12/14/2021

Signature Date

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December 14, 2021

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