

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Neer Hodorov

Case Number: 21-00033

vs.

Respondent
Leumi Investment Services, Inc.

Hearing Site: New York, New York

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 Neer Hodorov: Harry Sherman, Esq., Bal Harbour, Florida.

For Respondent Leumi Investment Services, Inc.: Christopher J. Gawley, Esq., Leumi Investment Services, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 11, 2021.

Neer Hodorov signed the Submission Agreement: December 24, 2020.

Statement of Answer filed by Respondent on or about: May 18, 2021.

Leumi Investment Services, Inc. signed the Submission Agreement: May 18, 2021.

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 and took no position on Claimant’s expungement request provided that such relief is not predicated upon Respondent’s alleged misconduct or upon the assertion that Claimant was improperly identified in the relevant Form U5 filing.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1595192; attorneys' fees and costs, including expert witness fees; and any and all other relief that the Panel deems just and equitable.

In the Statement of Answer, Respondent objected to any other relief – beyond expungement – that is predicated upon alleged misconduct by Respondent or its employees in connection with the subject matter of the claim.

At the hearing, Claimant withdrew the request for all other reliefs except expungement.

OTHER ISSUES CONSIDERED AND DECIDED

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

On August 9, 2021, Claimant filed an Affidavit that Claimant and Respondent were unable to locate any information relating to the customer in Occurrence Number 1595192 due to the length of time that passed since the date of the alleged customer complaint. Respondent's records were destroyed in the regular course of business under its record retention policy. The Panel found that Claimant made sufficient effort to serve the customer with the Statement of Claim and notice of the expungement hearing and that notice of service is excused.

The Panel conducted a recorded hearing by videoconference on August 11, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing.

The customer did not participate in the expungement hearing.

The Panel reviewed Claimant's BrokerCheck® Report. The Panel noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrence in the CRD.

The Panel noted that the dispute related to Occurrence Number 1595192 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Claimant's BrokerCheck® Report; the pleadings; exhibits; and Claimant and other witnesses' testimonies.

AWARD

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

1. The Panel recommends the expungement of all references to Occurrence Number 1595192 from registration records maintained by the CRD for Claimant Neer Hodorov (CRD Number 5042144) with the understanding that, pursuant to Notice to Members 04-16, Claimant Neer

Hodorov 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 Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

In December 2011, the customer claimed that an open end mutual fund was purchased without permission. Respondent recorded all customer calls and kept a log of its investigations and results. The log stated that the recording of the order verified that the customer gave clear instructions to place the order. In January 2012, Respondent notified the customer that the claim was denied. Nothing further was heard from the customer. Respondent’s records established that the claim was without merit.

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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent Leumi Investment Services, Inc. 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 Panel, including a pre-hearing conference with the Panel, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session	= \$	1,125.00
Pre-Hearing Conference: June 29, 2021		1 session

One (1) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing: August 11, 2021 1 session		
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Total Hearing Session Fees	= \$	2,250.00

The Panel has assessed the total hearing session fees to Claimant.

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

ARBITRATION PANEL

Michael H DuBoff	-	Public Arbitrator, Presiding Chairperson
Edmund Timothy Donovan	-	Public Arbitrator
Andrew Robert Kosloff	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Concurring Arbitrators' Signatures

Michael H DuBoff

Michael H DuBoff
Public Arbitrator, Presiding Chairperson

08/18/2021

Signature Date

Edmund Timothy Donovan

Edmund Timothy Donovan
Public Arbitrator

08/18/2021

Signature Date

Andrew Robert Kosloff

Andrew Robert Kosloff
Non-Public Arbitrator

08/18/2021

Signature Date

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August 19, 2021

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