

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Robert Tansey

Case Number: 21-00100

vs.

Respondent
RBC Capital Markets, LLC

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 Robert Tansey: Frederic M. Krieger, Esq., Murphy & McGonigle, New York, New York.

For Respondent RBC Capital Markets, LLC: Tiana M. Towns, Esq., Dorsey & Whitney, LLP, Minneapolis, Minnesota.

CASE INFORMATION

Amended Statement of Claim filed on or about: January 21, 2021
Second Amended Statement of Claim filed on or about: March 16, 2021.
Robert Tansey signed the Submission Agreement: January 20, 2021.

Statement of Answer filed by Respondent on or about: February 24, 2021.
RBC Capital Markets, LLC signed the Submission Agreement: February 11, 2021.

CASE SUMMARY

In the Second Amended 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 had no objection to Claimant’s expungement request.

RELIEF REQUESTED

In the Second Amended Statement of Claim, Claimant requested expungement of Occurrence Numbers 1964795 and 1971753; and for such other and further relief that the Arbitrator deems just and proper.

In the Statement of Answer, Respondent 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.

A Statement of Claim was filed on January 15, 2021. An Amended Statement of Claim was filed on January 21, 2021, and a Second Amended Statement of Claim was filed on March 16, 2021. The Statement of Claim filed on January 15, 2021 was not served on the Respondent and therefore were not considered by the Arbitrator.

By correspondence dated March 24, 2021, the parties advised FINRA Dispute Resolution Services of their agreement to proceed with a single arbitrator. Therefore, this matter was decided by a panel of one arbitrator.

On March 16, 2021, Claimant advised that the customers in Occurrence Numbers 1964795 and 1971753 were served with the Statement of Claim.

By correspondence dated January 22, 2021, the customers in Occurrence Number 1971753 advised Claimant that they had no objection to Claimant's expungement request.

The Arbitrator conducted a recorded hearing by videoconference on June 28, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not oppose the request for expungement.

The customers in Occurrence Number 1971753 did not participate in the expungement hearing and did not oppose the expungement request. The Arbitrator found that the customers had notice of the expungement request.

By Order dated July 14, 2021, the Arbitrator ordered Claimant to contact the customer in Occurrence Number 1964795 and advise him that he has fourteen (14) days to provide any evidence he wishes to submit in connection with the expungement request.

By correspondence dated July 21, 2021, the customer in Occurrence Number 1964795 made substantive submissions opposing the expungement request and requesting the opportunity to appear at the expungement hearing.

The Arbitrator conducted a second recorded hearing by videoconference on August 13, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the second expungement hearing and did not oppose the request for expungement.

The customer in Occurrence Number 1964795 participated in the second expungement hearing and opposed the expungement request.

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 occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Numbers 1964795 and 1971753, considered the amount of payments made to any party to the settlements, and considered other relevant terms and conditions of the settlements. The Arbitrator noted that the settlements were not conditioned on any party to the settlements not opposing the expungement request and that Claimant did not contribute to the settlement amounts.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the account statements and documents, settlement agreements, tax forms, correspondence, Claimant's BrokerCheck® Report, and the testimony of the Customer in Occurrence Number 1964795.

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:

1. The Arbitrator recommends the expungement of all references to Occurrence Number 1964795 from registration records maintained by the CRD for Claimant Robert Tansey (CRD Number 1222751) with the understanding that, pursuant to Notice to Members 04-16, Claimant Robert Tansey 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 Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

The customer became a client of the Claimant in 1986 and owned Puerto Rican bonds at least since 2002. An experienced bond investor, the customer's investment objective and risk tolerance was balanced conservative growth. Most of his municipal bond purchases were zero coupon covers. When the market for this paper became stressed in 2016, the

customer filed an arbitration against RBC Capital Markets, LLC alleging unsuitability. The firm settled the matter for a small fraction of the requested damages amount. The Claimant was not a party to the settlement and did not contribute. The settlement was not conditioned on consent to expungement. This claim should be expunged on the grounds it is clearly erroneous, false, or both. The bonds fit the customer's long-term interest in generating tax exempt income and were suitable for him.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1971753 from registration records maintained by the CRD for Claimant Robert Tansey (CRD Number 1222751) with the understanding that, pursuant to Notice to Members 04-16, Claimant Robert Tansey 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 Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and the claim, allegation, or information is false.

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

The customers became Claimant's clients in 1990 and began buying Puerto Rican bonds in 1997. Experienced investors with a balanced/conservative profile, they were interested in the tax-exempt nature of this paper. In 2018, they filed an arbitration against RBC Capital Markets, LLC alleging unsuitability. The firm settled the matter for a small fraction of the requested damages amount. Claimant was not a party to the settlement and did not contribute. The settlement was not conditioned on consent to expungement.

This claim should be expunged on the grounds that it is clearly erroneous, false, or both. The bonds fit the customers' long-term interest in generating tax exempt income and were suitable. The customers also indicated that they had no objection to expungement.

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

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 events giving rise to the dispute. Accordingly, as a party, Respondent RBC Capital Markets, LLC is assessed the following:

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

Postponement Fees

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

June 17, 2021, postponement requested by the parties WAIVED

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

June 17, 2021, cancellation requested by the parties 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 @ \$1,125.00/session	= \$	1,125.00
Pre-Hearing Conference: May 10, 2021	1 session	
Two (2) hearing sessions on expungement request @ \$1,125.00/session	= \$	2,250.00
Hearing: June 28, 2021	1 session	
August 13, 2021	1 session	

Total Hearing Session Fees	= \$	3,375.00
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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

Robert E. Anderson

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Sole 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.

Arbitrator's Signature

Robert E. Anderson

Robert E. Anderson
Sole Public Arbitrator

08/17/2021

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.

August 18, 2021

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