

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Shaun Evan Stein

Case Number: 21-00220

vs.

Respondents
J.P. Turner & Company, LLC
National Securities Corporation

Hearing Site: Jersey City, New Jersey

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. Members

REPRESENTATION OF PARTIES

For Claimant Shaun Evan Stein: Brian Luther, JD, FA Expungement, LLC, Denver, Colorado.

For Respondent J.P. Turner & Company, LLC: David Feldstein, Esq., Cetera Financial Group, New York, New York.

For Respondent National Securities Corporation: Emily A. Hayes, Esq., National Holdings Corporation, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 28, 2021.

Shaun Evan Stein signed the Submission Agreement: January 28, 2021.

Statement of Answer filed by Respondent J.P. Turner & Company, LLC on or about: March 22, 2021.

J.P. Turner & Company, LLC signed the Submission Agreement: March 18, 2021.

Statement of Answer filed by Respondent National Securities Corporation on or about: March 17, 2021.

National Securities Corporation signed the Submission Agreement: March 17, 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 J.P. Turner & Company, LLC did not oppose Claimant’s expungement request.

In the Statement of Answer, Respondent National Securities Corporation took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1606818, 1714640, and 1801788.

In the Statement of Answer, Respondent J.P. Turner & Company, LLC requested that the Arbitrator assess all forum fees and costs to Claimant, and that Claimant reimburse Respondent any surcharge, process fees and hearing session fees incurred by Respondent.

In the Statement of Answer, Respondent National Securities Corporation requested that the Arbitrator assess all forum fees and costs to the Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

By correspondence dated March 22, 2021, the parties agreed to proceed with a single arbitrator for this matter.

On June 15, 2021, Claimant advised that the customers in Occurrence Numbers 1606818, 1714640 and 1801788 were served with the Statement of Claim and notice of the date and time of the expungement hearing. On June 30, 2021, Claimant filed a delivery confirmation that the customers were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on July 20, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Respondent J.P. Turner & Company, LLC did not participate in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

Respondent National Securities Corporation participated in the expungement hearing and, as stated in the Statement of Answer, took no position on the request for expungement.

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

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 document, related to Occurrence Numbers 1714640 and 1801788 and considered the amount of payments made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the request for expungement and that Claimant did not contribute to the settlement amount.

The Arbitrator noted that the dispute related to Occurrence Number 1606818 was not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's BrokerCheck® Report, the pleadings, Claimant's testimony, and the exhibits.

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 1606818 from registration records maintained by the CRD for Claimant Shaun Evan Stein (CRD Number 4873578) with the understanding that, pursuant to Notice to Members 04-16, Claimant Shaun Evan Stein 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 customer opened a non-discretionary listed equity and OTC account with Claimant in 2011. In 2012, the customer complained to Respondent J.P. Turner & Company, LLC ("J.P. Turner") about unauthorized trading. J.P. Turner investigated and denied the complaint. The customer took no further action. J.P. Turner's records indicated extensive telephone contact between the customer and Claimant. Additionally, the customer received trade confirmations and monthly statements showing the transaction history.

2. The Arbitrator recommends the expungement of all references to Occurrence Numbers 1714640 and 1801788 from registration records maintained by the CRD for Claimant Shaun Evan Stein (CRD Number 4873578) with the understanding that, pursuant to Notice to Members 04-16, Claimant Shaun Evan Stein 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; the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and the claim, allegation, or information is false.

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

The customer filed a state court action in South Carolina against J.P. Turner alleging churning and mishandling of his equity OTC account. The court case was stayed pending FINRA arbitration. These occurrences should be expunged as being clearly erroneous and false. Additionally, Claimant was not engaged in any sales practice violations. Claimant was not named in the state court action, he never recommended that the customer purchase any equity OTC products, and he never performed any of the trades complained of by the customer. Claimant also testified as to the adverse impact these occurrences have had on his business development efforts. The interests of consumer protection and awareness being in no way negatively implicated, the undersigned recommends the above occurrences be expunged.

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

**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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents J.P. Turner & Company, LLC and National Securities Corporation are each assessed the following:

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

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 26, 2021		1 session
One (1) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing: July 20, 2021		1 session
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Total Hearing Session Fees	= \$	2,250.00

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

Robert E. Anderson

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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

Robert E. Anderson

Robert E. Anderson
Sole Public Arbitrator

08/06/2021

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 06, 2021

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