

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

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In the Matter of the Arbitration Between:

Claimant  
Paul Michael Hulen

Case Number: 21-00299

vs.

Respondent  
Edward Jones

Hearing Site: St. Louis, Missouri

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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

**REPRESENTATION OF PARTIES**

For Claimant Paul Michael Hulen (“Claimant”): Samantha Pastor, Esq. and Dochter Kennedy, Esq., AdvisorLaw LLC, Westminster, Colorado.

For Respondent Edward Jones (“Respondent”): Jonathan W. Hackbarth, Esq. and Ellen E. Cranberg, Esq., Quarles & Brady LLP, Milwaukee, Wisconsin.

**CASE INFORMATION**

Statement of Claim filed on or about: February 3, 2021.  
Claimant signed the Submission Agreement: February 3, 2021.

Statement of Answer filed on or about: March 24, 2021.  
Respondent signed the Submission Agreement: February 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 did not oppose Claimant’s expungement request.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 249221, 1064722, 1133577, 1153077, 1231579, 1232488, 1459848, and 2039512; compensatory

damages in the amount of \$1.00; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that Claimant's request for damages be denied.

At the hearing, Claimant withdrew the request for \$1.00 in damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On March 22, 2021, the parties filed a Joint Stipulation Pursuant to FINRA Rule 13401(c) of the Code of Arbitration Procedure ("Code"). Accordingly, a single arbitrator was appointed in this matter.

On August 27, 2021, Claimant advised that the customers in Occurrence Numbers 249221, 1064722, 1133577, 1231579, 1459848, and 2039512 were served with the Statement of Claim and notice of the date and time of the expungement hearings ("1<sup>st</sup> Notice"). On August 27, 2021, Claimant filed an Affidavit confirming that said customers were served with the 1<sup>st</sup> Notice, but that Claimant was unable to locate the customers in Occurrence Numbers 1153077 and 1232488. On August 30, 2021, Claimant filed an Affidavit confirming that the customers related to Occurrence Numbers 249221, 1064722, 1133577, 1231579, 1459848, and 2039512 were served with the 1<sup>st</sup> Notice. Claimant also filed copies of the FedEx online tracking information for the 1<sup>st</sup> Notice. On September 2, 2021, Claimant advised that the customer related to Occurrence Number 1153077 was served with the 1<sup>st</sup> Notice. On September 7, 2021, Claimant filed an Affidavit confirming that the customer related to Occurrence Number 1153077 was served with the 1<sup>st</sup> Notice. On the same day, Claimant also filed a copy of the FedEx online tracking information for the 1<sup>st</sup> Notice to the customer related to Occurrence Number 1153077. On September 22, 2021, Claimant advised that the customers related to Occurrence Numbers 249221, 1064722, 1133577, 1153077, 1231579, 1459848, and 2039512 (each a "Customer" and collectively, "Customers") were served with a second notice of expungement hearing ("2<sup>nd</sup> Notice"). Claimant also filed an Affidavit confirming that the Customers were served with the 2<sup>nd</sup> Notice. On September 23, 2021, Claimant filed an Affidavit confirming that the Customers were served with the 2<sup>nd</sup> Notice. On September 24, 2021, Claimant filed a Death Record for the customer in Occurrence Number 1232488

The Arbitrator conducted recorded, telephonic hearings on October 12 and 13, 2021, so the parties could present oral arguments and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearings and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customers related to Occurrence Numbers 1064722, 1459848, and 2039512 participated in the expungement hearings and opposed the expungement request. The Arbitrator found that the customers who did not attend the hearing had notice of the expungement request and hearings.

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 reviewed the settlement documentation related to Occurrence Number 1232488, considered the amount of payment 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 expungement request and that Claimant did not contribute to the settlement amount.

The Arbitrator noted that the disputes related to Occurrence Numbers 249221, 1064722, 1133577, 1153077, 1231579, 1459848, and 2039512 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Statement of Claim; Claimant's testimony and Claimant's exhibits; Claimant's BrokerCheck® Report; Claimant's witnesses' testimony; and the testimony of the Customers related to Occurrence Numbers 1064722, 1459848, and 2039512.

### **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 Numbers 1133577, 1153077, 1232488, 1231579, and 2039512 from registration records maintained by the CRD for Claimant Paul Michael Hulen (CRD Number 2237101) with the understanding that, pursuant to Notice to Members 04-16, Claimant Paul Michael Hulen 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.

#### **Occurrence Numbers 1133577, 1153077, 1231579, and 2039512**

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

#### **Occurrence Number 1133577**

Claimant advised the Customer that Claimant and Respondent's company philosophy was buy-and-hold rather than active trading. This was a non-discretionary account and the Customer never requested Claimant to place target price orders to sell, stop loss or

limit orders. Claimant did suggest at times that certain stocks should be sold which the Customer approved.

**Occurrence Number 1153077**

The Customer's cousin, who was also a customer of Claimant, filed a complaint on behalf of the Customer, three years after the initial investment by the cousin because Claimant did not follow the instructions of how the Customer's cousin wanted Claimant to invest for the Customer. Claimant offered the Customer, who was with her brother, a choice of funds as wanted by the cousin and a more diversified portfolio. The Customer chose the more diversified funds to achieve her objectives.

**Occurrence Number 1231579**

The Customer updated her risk profile on November 16, 2004 to be more conservative after losses from her original investments in late 1999. Claimant suggested to the Customer, and she authorized in 2002, for Claimant to move her investments to a more conservative portfolio. After Claimant had executed the trades, the Customer, after talking with her nephew, called Claimant and requested that the trades be reversed which Claimant did. The original investments were responsive to the Customer's profile and desires after given a choice of investment strategies. The Customer did not change her investment profile until after the fact.

**Occurrence Number 2039512**

The Customer complaint is mostly about him feeling taken advantage of by the Claimant because even though the Customer tried to negotiate a lower commission, Claimant did not agree. Further, the Customer later learned that the Claimant had the authority to reduce his regular commission. In addition, the Customer felt taken advantage of when he later learned that another brokerage firm was offering lower commission percentages. Claimant clearly explained the commission structure before executing the trades and the Customer was given a copy of the trade before he left the office after the trade was executed.

**Occurrence Number 1231488**

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

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

The Customer was dissatisfied with the previous broker at Respondent's firm who had sold her Lucent Stock that had declined. Claimant was named in the Customer's complaint even though Claimant had not sold the Customer the stock. At the Customer's arbitration hearing, the case was settled before the hearing began. Claimant was not consulted during settlement negotiations and did not contribute towards the settlement.

2. Claimant's request for expungement of Occurrence Numbers 249221, 1064722, and 1459848 from registration records maintained by the CRD is denied.

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

*\*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 = \$ 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 @ \$1,125.00/session = \$ 1,125.00

Pre-Hearing Conference: May 28, 2021 1 session

Three (3) hearing sessions on expungement request @ \$1,125.00/session = \$ 3,375.00

Hearings: October 12, 2021 2 sessions

October 13, 2021 1 session

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Total Hearing Session Fees = \$ 4,500.00

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**

Julius Z. Frager

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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**

***Julius Z. Frager***

Julius Z. Frager  
Sole Public Arbitrator

**10/22/2021**

Signature Date

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October 22, 2021

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