

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Grant E. Blindbury

Case Number: 21-00703

vs.

Respondent
Independent Financial Group, LLC

Hearing Site: Los Angeles, California

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 Grant E. Blindbury (“Claimant”): Rick Smith, Esq., Markun Zusman Freniere & Compton LLP, San Francisco, California.

For Respondent Independent Financial Group, LLC (“Respondent”): Sarah J. Kreisman, Esq., Independent Financial Group, LLC, San Diego, California.

CASE INFORMATION

Statement of Claim filed on or about: January 26, 2021.
Claimant signed the Submission Agreement: January 20, 2021.

Statement of Answer filed by Respondent on or about: April 22, 2021.
Respondent signed the Submission Agreement: April 22, 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:

1. Expungement of Occurrence Number 1589700 from Claimant's CRD records pursuant to FINRA Rule 2080, as:
 - a. the claim, allegation, or information is factually impossible or clearly erroneous;
 - b. Claimant was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and/or
 - c. the claim, allegation, or information is false; and
2. Compensatory damages in the amount of \$1.00 from Respondent.

In the Statement of Answer, Respondent requested:

1. Any claim for damages against Respondent be denied; and
2. All costs and fees be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

On May 24, 2021 the parties agreed to proceed with a single Arbitrator on this matter.

On November 26, 2021, Claimant filed a declaration that the customer in Occurrence Number 1589700 ("Customer") was 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 December 8, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

The Customer did not participate in the expungement hearing. The Arbitrator found that the Customer 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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1589700, 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.

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

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 1589700 from registration records maintained by the CRD for Claimant Grant E. Blindbury (CRD Number 4697717) with the understanding that, pursuant to Notice to Members 04-16, Claimant Grant E. Blindbury 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 false.

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

Expungement is recommended pursuant to FINRA Rule 2080(b)(1)(C), as the complaint by the Customer against Claimant is false, as Claimant did not make any unsuitable recommendations, did not breach any contract, did not breach his fiduciary duties owed to the Customer, and did not commit negligence or a violation of any securities laws. The claims against Claimant are all false. Claimant was not named as a party in the FINRA action that was filed against Claimant and was not involved in the settlement of the Customer's FINRA claim against Respondent.

Claimant was the only witness to testify. Based on his testimony and the admitted exhibits, the Arbitrator finds as follows:

The Customer was a wealthy, sophisticated real estate developer, who Claimant knew personally and worked with for years. The Customer independently decided to invest in IMH Secured Loan Fund, LLC ("IMH"), a pooled mortgage fund, and received all disclosures necessary to make his purchase decision. The Customer had substantial information about the IMH investment, and he took a few months to make his purchase decision. The Customer even knew others who had invested in IMH. Based on Claimant's testimony and review of the admitted exhibits, Claimant discussed IMH and its risks at length with the Customer before the Customer made his decision to invest in IMH.

The Customer also signed a "concentration acknowledgment" due to the investment amount.

The IMH fund suffered during the real estate and credit markets collapse around September 2008.

There was nothing nefarious about IMH that would have given Claimant reason to recommend against investing in the fund. There was nothing about IMH that made the investment unsuitable for the Customer. IMH ended up being an investment that collapsed with the rest of the real estate and credit markets around 2008. Claimant was in no way responsible for the Customer's losses. Therefore, the claims against Claimant are false, and Occurrence Number 1589700 should be expunged from Claimant's CRD records.

2. Claimant's claim for \$1.00 in compensatory damages 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
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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(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 with a single Arbitrator @ \$1,125.00/session	=\$ 1,125.00
Pre-Hearing Conference: July 22, 2021 1 session	

One (1) hearing session on expungement request @ \$1,125.00/session	=\$ 1,125.00
Hearing: December 8, 2021 1 session	

Total Hearing Session Fees	=\$ 2,250.00
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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

Joseph C. Watson

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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

Joseph C. Watson

Joseph C. Watson
Sole Public Arbitrator

12/14/2021

Signature Date

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December 15, 2021

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