

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Angel Manuel Canabal

Case Number: 21-00761

vs.

Respondent
UBS Financial Services Inc.
UBS Financial Services Incorporated of Puerto Rico
Rico

Hearing Site: San Juan, Puerto Rico

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 Angel Manuel Canabal: Sonia M. Lopez del Valle, Esq. and Roberto C. Quiñones, Esq., McConnell Valdes LLC, San Juan, Puerto Rico.

For Respondents UBS Financial Services Inc. (“UBS”) and UBS Financial Services Incorporated of Puerto Rico (“UBSPR”): Rey F. Medina Velez, Esq., UBS Financial Services Inc., San Juan, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: March 23, 2021.
Angel Manuel Canabal signed the Submission Agreement: March 23, 2021.

Statement of Answer filed by Respondent on or about: May 5, 2021.
UBS Financial Services Inc. signed the Submission Agreement: May 5, 2021.
UBS Financial Services Incorporated of Puerto Rico signed the Submission Agreement: May 5, 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, Respondents did not oppose Claimant’s request for expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 1965190 and 1827842.

In the Statement of Answer, Respondents agreed that a finding should be entered by the Arbitrator in favor of Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

On May 19, 2021, the parties filed with FINRA Dispute Resolution Services a stipulation to request that the undersigned Arbitrator, who appeared on the parties' ranking lists, be appointed as the sole arbitrator, instead of the three-arbitrator panel prescribed under the Code of Arbitration Procedure (the "Code"). Accordingly, the Arbitrator was appointed to decide this matter.

On September 14, 2021, Claimant filed a Declaration Under Penalty of Perjury confirming that the customers in Occurrence Numbers 1965190 ("Customers A, B, C and D") and 1827842 ("Customers E, F and G"), hereinafter collectively referred to as 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 September 29, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondents participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose 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 documentation related to Occurrence Numbers, Numbers 1965190 and 1827842, considered the amount of payment 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 Statements of Claim ("SOCs") in the underlying actions; Respondents' Answers in the underlying actions; the Petition and Hearing Exhibits attached to the Petition (A through O); Claimant's Supplemental Hearing Exhibits (1 through 6); Claimant's current BrokerCheck® Report; Respondents' response to the Petition; Claimant's Hearing testimony; and argument of counsel for the parties.

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 1965190 and 1827842 from registration records maintained by the CRD for Claimant Angel Manuel Canabal (CRD Number 2180310) with the understanding that, pursuant to Notice to Members 04-16, Claimant Angel Manuel Canabal 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, 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.

The claim, allegation, or information is false.

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

Claimant's Background and Employment:

In 1991, Claimant graduated college with a Bachelor of Arts degree from the University of Puerto Rico. He has worked for three decades in the financial industry. Claimant is currently employed by, and registered with, Respondents UBS and UBSPR. Claimant has been with these firms since early 1998. He is registered with nine self-regulatory organizations and in seven states and territories. Petitioner previously was registered with Merrill Lynch from November 1991 to February 1998.

A. Occurrence Number 1827842:

Customers A, B, C and D did not name Claimant as a Respondent in that underlying action. However, pursuant to FINRA Rules, because he was their broker of record at the time the Statement of Claim was filed, this event was reportable on his CRD. See Rule 4530. Respondents filed an answer to the Statement of Claim denying the allegations and raising defenses. UBS and Customers A, B and C settled the action. Claimant did not participate in the settlement negotiations, was not a party to the settlement agreements, and did not contribute to the settlement payments. There were three customers in this underlying action. Customer A inherited around \$200,000.00 in 2005 and opened an investment account at UBS. At that time, Claimant's brother became the financial advisor ("FA") for the account. The Statement of Claim incorrectly alleged that Claimant began serving as the FA and

assumed responsibility for the account in 2012. Rather, it was his brother who serviced that account until August 2014 when he left his UBS employment. Until that date, Claimant's brother alone was the servicing FA for Customer A's account. Only starting in August 2014 did Claimant take on FA responsibilities for servicing that account. Claimant never met with or spoke to Customer A and, therefore, did not make any investment recommendations to him. In fact, as to the investments at issue in the Statement of Claim, Customer A bought them between 2005 and 2010, that is, a number of years prior to Claimant servicing Customer A's account.

Customer B was the sister of Customer A who also inherited around \$200,000.00 in 2005. She opened an investment account at UBS with Claimant's brother. Just as was the case with Customer A, Claimant's brother was the sole FA for Customer B. Customer B passed away in December 2014, a few months after Claimant's brother left UBS. For a few months Claimant was the FA for Customer B before her death. However, Claimant never communicated with Customer B, nor did he make any recommendations for her account during the period between August and December 2014. In fact, Customer B's only investment at UBS was a June 2005 purchase of a Puerto Rican bond fund which predated Claimant's servicing of her account by nine years.

Customer C and her brother Customer D inherited Customer B's securities after her death in late 2014. Again, Claimant did not take over Customer B's account until August 2014, which was approximately one year after the Puerto Rico bond market collapse and more than nine years after the only investment purchased in that account. Customer C had an individual investment account with UBS, but it existed only between 2004 and 2010. Claimant's brother was the only FA to service that account. Customer D had two investment accounts with UBS between 2002 and 2010. The first such account was opened at UBS PaineWebber in January 2002. Claimant never worked at that branch location. Customer D closed that account in August 2003. In December 2007, Customer D opened another account at UBS, and Claimant's brother was the FA. That account was closed in March 2010, and it had been serviced exclusively by Claimant's brother. In light of the above undisputed facts, Claimant had no involvement whatsoever in making any recommendations to any of Customers A, B, C or D, nor did he have any communications with them during any time frame relevant to the allegations of wrongdoing in this underlying action. Based upon all of the above uncontested facts and circumstances, the Arbitrator recommends that this occurrence be expunged from Claimant's CRD under FINRA Rule 2080(b)(1)(A), (B) and (C).

B. Occurrence Number 1965190:

Customer E is an individual who owns two companies, Customers F and G. Starting in 2007, Customers E, F and G had active UBS investment accounts. The Statement of Claim for this underlying action alleged that, at all relevant times, a different FA ("FA EFG"), rather than Claimant, served as the FA for Customers E, F and G. In December of 2014, FA EFG no longer was employed at UBS which was more than one year after the Puerto Rico bond market collapse. It was only after FA EFG's departure from UBS that Claimant became the FA of record for Customers E, F and G. The SOC's specific material allegations demonstrate that Claimant never was involved in the making of any investment recommendations at issue in Customers E, F and G's action. Consequently, the Arbitrator recommends that this occurrence be expunged from Claimant's CRD under Rule 2080(b)(1)(A), (B) and (C).

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Expungement 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 parties, Respondents UBS and UBSPR 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: July 15, 2021	1 session

One (1) hearing session on expungement request @ \$1,125.00/session	=\$ 1,125.00
Hearing: September 29, 2021	1 session

Total Hearing Session Fees	=\$ 2,250.00
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Pursuant to the parties' agreement, the Arbitrator has assessed the total hearing session fees jointly and severally to Respondents.

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

ARBITRATOR

Martin A. Feigenbaum

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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

Martin A. Feigenbaum

Martin A. Feigenbaum
Sole Public Arbitrator

10/15/2021

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.

October 15, 2021

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