

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

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In the Matter of the Arbitration Between:

Claimant  
John Anthony Reilly

Case Number: 21-00835

vs.

Respondent  
Prudential Equity Group, LLC

Hearing Site: Boca Raton, Florida

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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 John Anthony Reilly: Zachary Morse, Esq., Of Counsel, HLBS Law, Westminster, Colorado.

For Respondent Prudential Equity Group, LLC: Jennifer E. Novoselsky, Esq., Reyes Kurson, Ltd., Chicago, Illinois.

**CASE INFORMATION**

Statement of Claim filed on or about: March 29, 2021.

John Anthony Reilly signed the Submission Agreement: March 29, 2021.

Statement of Answer filed by Respondent on or about: June 21, 2021.

Prudential Equity Group, LLC did not sign the Submission Agreement.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted a claim seeking expungement of information relating to Claimant's termination of employment from the Form U5 registration records maintained by the Central Registration Depository ("CRD").

In the Statement of Answer, Respondent took no position on Claimant's request for expungement of the Termination Disclosure but objected to the request that the Termination Disclosure be expunged on the basis that it is defamatory in nature, as well as Claimant's request for an award of damages. Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested an award granting expungement of the Form U5 corresponding with Occurrence Number 1564790 and those relevant portions of the Form U4, from Claimant's CRD record on the basis that the statement is defamatory in nature, misleading, inaccurate, and/or erroneous, to include: amendment of the Reason for Termination entry in Section 3 of Claimant's Form U5 to read as "Voluntary;" expungement of the Reason for Termination explanation on Claimant's CRD; amendment of any "Yes" answers corresponding with Occurrence Number 1564790 on Claimant's Form U5, from "Yes" responses to "No;" and deletion of the Termination Disclosure Reporting Pages accompanying Occurrence Number 1564790. Additionally, Claimant requested an award of damages in the amount of \$1.00 from Respondent for its part in contributing to Claimant's injury, and any other relief as the arbitration Panel deems just and equitable.

In the Statement of Answer, Respondent did not delineate any specific relief requests, but explicitly reserved the right to amend its Answer to address any allegations and/or additional claims raised by Claimant at a later date.

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.

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, appeared, and cross-examined Claimant and presented argument at the hearing, is bound by the determination of the Arbitrator on all issues submitted.

The Arbitrator conducted a recorded, telephonic hearing on December 7, 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, took no position on Claimant's request for expungement of the Termination Disclosure but objected to the request that the Termination Disclosure be expunged on the basis that it is defamatory in nature.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant John Anthony Reilly's (CRD Number 870804) request for expungement of Occurrence Number 1564790 from registration records maintained by the CRD is denied.
2. Any and all claims for relief not specifically addressed herein are denied.

## FEES

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

### Filing Fees

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

Initial Claim Filing Fee	=\$	50.00
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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 event giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	=\$	150.00
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### 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 @ \$50.00/session	=\$	50.00
Pre-Hearing Conference: July 26, 2021		1 session

One (1) hearing session with a single Arbitrator @ \$50.00/session	=\$	50.00
Hearing: December 7, 2021		1 session

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Total Hearing Session Fees	=\$	100.00
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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**

Nancy J. Cliff

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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**

***Nancy J. Cliff***

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Nancy J. Cliff  
Sole Public Arbitrator

**12/10/2021**

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Signature Date

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December 10, 2021

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