

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Drew Scott Freides

Case Number: 21-01300

vs.

Respondent
UBS Financial Services Inc.

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 Drew Scott Freides (“Claimant”): David I. Hantman, Esq., Bressler, Amery & Ross, P.C., New York, New York.

For Respondent UBS Financial Services Inc. (“Respondent”): Omar Perez, Esq., UBS Business Solutions US LLC, Nashville, Tennessee.

CASE INFORMATION

Statement of Claim filed on or about: May 18, 2021.

Claimant signed the Submission Agreement: May 18, 2021.

Notice of Non-Participation filed by Respondent on or about: May 20, 2021.

Respondent signed the Submission Agreement: May 20, 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 Notice of Non-Participation, Respondent did not oppose Claimant’s expungement request and noted that it would not be participating in this expungement matter.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 2121773

from his CRD records pursuant to FINRA Rule 2080.

OTHER ISSUES CONSIDERED AND DECIDED

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

On June 8, 2021, Claimant advised that the customer in Occurrence Number 2121773 (“Customer”) was served with the Statement of Claim and notice of the date and time of the expungement hearing.

On June 9, 2021, Claimant filed an email from the Customer as an exhibit. The Customer stated that he received the documentation related to Claimant’s expungement request, and he noted that he would neither participate in the expungement hearing nor interfere with Claimant’s expungement request.

The Arbitrator conducted a recorded, telephonic hearing on June 25, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

As stated in the Notice of Non-Participation, Respondent did not participate in the expungement hearing.

The Customer also did not participate in the expungement. 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 noted that the dispute related to Occurrence Number 2121773 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant’s BrokerCheck® Report; Claimant’s Statement of Claim, including exhibits A through H; Claimant’s testimony; Respondent’s Notice of Non-Opposition; and the Customer’s email dated June 9, 2021.

AWARD

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

The Arbitrator recommends the expungement of all references to Occurrence Number 2121773 from registration records maintained by the CRD for Claimant Drew Scott Freides (CRD Number 4262911) with the understanding that, pursuant to Notice to Members 04-16, Claimant Drew Scott Freides 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.

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

This dispute involves an apparent misunderstanding regarding the term “equity risk”. The investments recommended by Claimant and approved by the Customer were fixed-income investments. No funds were invested in equity or stocks. The Customer was upset when net asset evaluations of his fixed-income investments declined. The Customer is an educated individual with degrees in finance and business administration and was aware of the nature of the investments he approved. The Customer, when notified of the hearing, indicated that he did not oppose the subject expungement request; and chose not to participate. The Customer also indicated that he did not want to interfere in Claimant’s expungement request. Respondent investigated the complaint and denied the claim. The Customer did not pursue other legal actions after Respondent’s denial of the complaint.

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	= \$ 1,600.00
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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	= \$ 2,000.00
Member Process Fee	= \$ 3,850.00

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) hearing session on expungement request @ \$1,150.00/session	= \$	1,150.00
Hearing: June 25, 2021 1 session		

Total Hearing Session Fees	= \$	1,150.00
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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

George L. Tindall

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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

George L. Tindall

George L. Tindall
Sole Public Arbitrator

06/30/2021

Signature Date

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July 1, 2021

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