

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
John Robert Morris

Case Number: 21-01341

vs.

Respondent
UBS Financial Services Inc.

Hearing Site: Jersey City, New Jersey

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 Robert Morris: David I. Hantman, Esq., Bressler, Amery & Ross, P.C., New York, New York.

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

CASE INFORMATION

Statement of Claim filed on or about: May 24, 2021.

John Robert Morris signed the Submission Agreement: May 24, 2021.

Statement of Answer filed by Respondent on or about: June 1, 2021.

UBS Financial Services Inc. signed the Submission Agreement: June 1, 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 Number 2028585.

In the Statement of Answer, Respondent requested that all costs and fees associated with this matter be assessed solely against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

In the Statement of Claim, Claimant requested that FINRA Dispute Resolution Services appoint a sole arbitrator to hear this expungement request. In the Statement of Answer, Respondent joined in Claimant's request to proceed with a one-person arbitration panel.

On July 8, 2021, Claimant filed an Affidavit confirming that the customers in Occurrence Number 2028585 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 July 14, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

The customers also 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 occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 2028585, 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: the pleadings, exhibits, Claimant's BrokerCheck® Report, and Claimant's 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 2028585 from registration records maintained by the CRD for Claimant John Robert Morris

(CRD Number 1903657) with the understanding that, pursuant to Notice to Members 04-16, Claimant John Robert Morris 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 factually impossible or clearly erroneous.

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

The customers were wealthy, experienced investors. The account was referred to Claimant by a friend of the customers who made similar investments. All trades were researched and initiated by the customers. Claimant never made any recommendations and discouraged the large concentrations in the account. In late 2013, the customers started trading options on the margin. Claimant did not recommend this activity and expressed his concern about this aggressive leveraging to both the customers and the branch manager.

The account profile was amended to reflect aggressive trading. This was also noted on each monthly account statement. The customers told Claimant that they needed to do this to raise money for their son in order to comply with a court order. Starting in 2013, the customers made large options trades on the margin and large cash withdrawals from their account. Claimant and Respondent expressed continuing concern about this to the customers. There were many margin calls as well as continued withdrawals from the account. In September 2015, Claimant and the branch manager asked the customers to move the account. The customers directed Respondent to liquidate the holdings, pay off the margin debt, and send them the balance on the account. No complaints of any kind were made by the customers against Claimant or Respondent at any time while the account was open. In fact, the first complaint was made against Respondent (not Claimant) three and a half (3 ½) years after the account was closed. An arbitration was filed seeking to recover the difference between the amount invested and the amount withdrawn. Respondent settled the case without consulting with Claimant. Claimant did not contribute to the settlement. Respondent denied any wrongdoing by the customers and Claimant in its answer to the claim. Respondent’s System Notes confirmed Claimant’s testimony.

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 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	= \$	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: July 14, 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

Michael H. DuBoff

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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

Michael H DuBoff

Michael H. DuBoff
Sole Public Arbitrator

07/21/2021

Signature Date

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July 22, 2021

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