

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

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In the Matter of the Arbitration Between:

Claimant  
Vicente Castillo

Case Number: 21-01379

vs.

Respondents  
UBS Financial Services Inc. of Puerto Rico  
UBS Financial Services Inc

Hearing Site: San Juan, Puerto Rico

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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. Members

**REPRESENTATION OF PARTIES**

For Claimant Vicente Castillo: Leany Prieto-Rodriguez, Esq. and Roberto C. Quiñones-Rivera, Esq., McConnell Valdes LLC, San Juan, Puerto Rico.

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

**CASE INFORMATION**

Statement of Claim filed on or about: May 27, 2021.  
Vicente Castillo signed the Submission Agreement: May 27, 2021.

Statement of Answer filed by Respondent on or about: June 7, 2021.  
UBS Financial Services Inc. of Puerto Rico signed the Submission Agreement: June 7, 2021.  
UBS Financial Services Inc. signed the Submission Agreement: June 7, 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 asserted that they do not oppose the request for relief made by Claimant.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1927505.

In the Statement of Answer, Respondents requested that a finding 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 November 12, 2021, Claimant filed with FINRA Dispute Resolution Services a Motion Submitting Proof of Service in which it provided proof of service that the Statement of Claim and notice of the date and time of the expungement hearing was served to the customer in Occurrence Number 1927505 ("Customer"), and included an email from counsel for the Customer, dated January 23, 2020, that stated the Customer does not oppose the proposed expungement and will not participate in the expungement proceedings.

The Arbitrator conducted a recorded telephonic hearing on November 17, 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 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 1927505, 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: Claimant's BrokerCheck® report, underlying Customer complaint against Respondent UBSPR and Respondent UBS; settlement documents; testimony of Claimant, Customer account application with Respondents, Gain-Loss statements while accounts were with Respondents, Customer brokerage statements with Respondents, as well as subsequent statements with a subsequent brokerage firm.

### **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:

The Arbitrator recommends the expungement of all references to Occurrence Number 1927505 from registration records maintained by the CRD for Claimant Vicente Castillo (CRD Number 1163483) with the understanding that, pursuant to Notice to Members 04-16, Claimant Vicente Castillo 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 claim, allegation, or information is false.

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

Claimant was the account executive handling the Customer account after the death of her husband. Investments with Respondents were profitable prior to the collapse of the Puerto Rican bond market. The Customer transferred her account to a different brokerage firm three years prior to the collapse of the Puerto Rico bond market. The Customer filed an arbitration with FINRA Dispute Resolution Services (Arbitration Number 17-00444) against Respondents. Respondents ultimately settled the arbitration claim with the Customer. Clearly, Claimant made sound prudent investments during the time that the Closed End Bond Funds were made, as the account (while with Respondents) showed net profits, as well as a decent rate of return. The allegations against Claimant are factually impossible as the Customer was making sizable profits on her initial investment when made. The allegation against Claimant is clearly false.

### **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	= \$ 1,600.00
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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 parties, Respondents UBSPR and UBS are each 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) pre-hearing session with a single Arbitrator @ \$1,150.00/session	= \$ 1,150.00
Pre-Hearing Conference: September 27, 2021      1 session	

One (1) hearing session on expungement request @ \$1,150.00/session	= \$ 1,150.00
Hearing: November 17, 2021      1 session	

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Total Hearing Session Fees	= \$ 2,300.00
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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**

Louis David Huss

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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**

***Louis David Huss***

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Louis David Huss  
Sole Public Arbitrator

**11/18/2021**

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Signature Date

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November 19, 2021

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