

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Mark Andrew Gelbman

Case Number: 21-01501

vs.

Respondent
Principal Securities, Inc.

Hearing Site: Des Moines, Iowa

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 Mark Andrew Gelbman (“Claimant”): Samantha Pastor, Esq. and Docthor Kennedy, Esq., AdvisorLaw LLC, Westminster, Colorado.

For Respondent Principal Securities, Inc. (“Respondent”): Kathryn Roe Eldridge, Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: June 14, 2021.
Claimant signed the Submission Agreement: June 11, 2021.

Statement of Answer filed on or about: September 13, 2021.
Respondent signed the Submission Agreement: September 13, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim alleging that the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of the Form U5 filed by Respondent and relevant portions of the related Form U4, damages in the amount of \$1.00, and

any other relief as the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that the Panel deny Claimant's claims in their entirety.

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.

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. The Arbitrator recommends the expungement of the Termination Explanation in Section 3 of Mark Andrew Gelbman's (CRD Number 4533497) Form U5 filed by Principal Securities, Inc. on April 12, 2021, and maintained by the CRD. The Reason for Termination shall remain the same. The Termination Explanation shall be replaced with the following language: "Mr. Gelbman unknowingly failed to abide by a technical trading requirement for nondiscretionary clients. A program change triggered this technical requirement. Principal Securities, Inc.'s own actions, especially incomplete training, largely caused this failing. Moreover, during its investigation, Principal Securities, Inc. encouraged Mr. Gelbman not to resign." This directive shall apply to all references to the Termination Explanation.

The Arbitrator further recommends the expungement of all references to Occurrence Numbers 2121897 and 2121898 from the registration records maintained by the CRD for Mark Andrew Gelbman. Any "Yes" answers should be changed to "No," as applicable.

The above recommendations are made with the understanding that the registration records are not automatically amended. Mark Andrew Gelbman must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee = \$ 50.00

**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 = \$ 150.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 200.00

Claimant submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 200.00

The Arbitrator has assessed the total discovery-related motion fees to Claimant.

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 @ \$50.00/session = \$ 50.00
Pre-Hearing Conference: October 20, 2021 1 session

One (1) hearing session @ \$50.00/session = \$ 50.00
Hearing: February 8, 2022 1 session

Total Hearing Session Fees = \$ 100.00

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

M. W. Gear

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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

M W Gear

M. W. Gear
Sole Public Arbitrator

02/23/2022

Signature Date

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February 23, 2022

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