

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

---

In the Matter of the Arbitration Between:

Claimant

John Joseph Hanlon IV

Case Number: 21-02060

vs.

Respondent

UBS Financial Services Inc.

Hearing Site: Philadelphia, Pennsylvania

---

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 Joseph Hanlon IV: Benjamin Winograd, Esq., and Dochter Kennedy, MBA, J.D., AdvisorLaw LLC, Westminster, Colorado.

For Respondent UBS Financial Services Inc.: John Murphy, Esq., John Murphy & Associates, P.C., New York, New York.

**CASE INFORMATION**

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

John Joseph Hanlon IV signed the Submission Agreement: August 10, 2021.

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

UBS Financial Services Inc. signed the Submission Agreement: September 30, 2021.

**CASE SUMMARY**

In the Amended 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 request for expungement.

### **RELIEF REQUESTED**

In the Amended Statement of Claim, Claimant requested expungement of Occurrence Numbers: 93177, 93180, 132896, and 1155022; and any and all other relief that the Arbitrator deems just and equitable.

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

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

The original Statement of Claim was filed on August 10, 2021. An Amended Statement of Claim was filed on August 18, 2021. The Statement of Claim filed on August 10, 2021 was not served on the Respondent and therefore was not considered by the Arbitrator.

On September 2, 2021, the parties filed a joint stipulation advising FINRA Dispute Resolution Services of their agreement to proceed with a single arbitrator in this matter pursuant to Rule 13401(c) of the Code of Arbitration Procedure.

On February 2, 2022, Claimant advised that the customers in occurrence numbers 93177, 93180, 132896, and 1155022 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing. On February 7, 2022, Claimant filed an Affidavit confirming that the Customers 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 March 8, 2022, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing and 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 has not previously ruled on expungement of the same occurrences in the CRD.

The Arbitrator did not review the settlement documents in Occurrence Numbers 93177, 93180, 132896. The Arbitrator noted that due to the age of the complaints, neither Claimant nor Respondent had retained copies of the settlement agreements. The Arbitrator considered the amounts of payments made to any party to the settlements and noted that the date of the settlements preceded the effective date of the rule against conditioned settlements. The Arbitrator also noted that Claimant did not contribute to the settlement amounts.

The Arbitrator noted that the dispute related to Occurrence Number 1155022 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 testimony, the pleadings, and the hearing exhibits.

### **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 all references to Occurrence Numbers 93177 and 132896 from registration records maintained by the CRD for Claimant John Joseph Hanlon IV (CRD Number 1092690) with the understanding that, pursuant to Notice to Members 04-16, Claimant John Joseph Hanlon IV 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; and the claim, allegation, or information is false.

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

The complaints involved a single investment recommendation or the execution of an unsolicited order for the common stock of local savings and loan bank, Action Savings Bank (ASB). ASB reported fraudulent financials, failed, and was seized by the RTC. All shareholder equity was lost. Claimant could not have foreseen this. All involved investors were misled by the bank and its accounting firm, including Respondent who had made a substantial investment in the bank stock. Rule 2080 grounds for expungement are applicable to the CRD reported occurrences for the following reasons:

The Customers' allegations that the purchase of ASB stock was unsuitable is clearly erroneous and false. The Customers asked Claimant to purchase the stock for their accounts. Claimant did not solicit the orders but even if he did, the purchases met the Customers' investor profiles and objectives.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 93180 from registration records maintained by the CRD for Claimant John Joseph Hanlon, IV (CRD Number 1092690) with the understanding that, pursuant to Notice to Members 04-16, Claimant John Joseph Hanlon IV 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, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

The complaint involved a single investment recommendation or the execution of an unsolicited order for the common stock of local savings and loan bank, ASB. ASB reported fraudulent financials, failed, and was seized by the RTC. All shareholder equity was lost. Claimant could not have foreseen this. All involved investors were misled by the bank and its accounting firm, including Respondent who had made a substantial investment in the bank stock. Rule 2080 grounds for expungement are applicable to the CRD reported occurrence for the following reasons:

The Customer's allegation that the purchase of ASB stock was unsuitable is false. Claimant's buy recommendation met the Customer's investor profile and objectives. Claimant explained to the Customer in detail the terms, risks, costs fees, advantages, and disadvantages of ASB stock, which was a suitable investment for this Customer. Written materials pertaining to the investment were provided and the Customer acknowledged her understanding of said details and authorized the investment.

3. The Arbitrator recommends the expungement of all references to Occurrence Number 1155022 from registration records maintained by the CRD for Claimant John Joseph Hanlon, IV (CRD Number 1092690) with the understanding that, pursuant to Notice to Members 04-16, Claimant John Joseph Hanlon IV 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, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

The complaint involved a single investment recommendation or the execution of an unsolicited order for the common stock of local savings and loan bank, ASB. ASB reported fraudulent financials, failed, and was seized by the RTC. All shareholder equity was lost. Claimant could not have foreseen this. All involved investors were misled by the bank and its accounting firm, including Respondent who had made a substantial investment in the bank stock. Rule 2080 grounds for expungement are applicable to the CRD reported occurrence for the following reasons:

The Customer's claim that Claimant misrepresented the purchase of ASB common stock and fraudulently convinced him to purchase it is false. Claimant explained to the

Customer in detail the terms, risks, costs fees, advantages, and disadvantages of ASB stock, which was a suitable investment for an aggressive investor such as this Customer. Written materials pertaining to the investment were provided and the Customer acknowledged his understanding of said details and authorized the investment.

4. 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	= \$	1,600.00
--------------------------	------	----------

*\*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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent UBS Financial Services Inc. 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) pre-hearing session with a single Arbitrator @ \$1,150.00/session	= \$	1,150.00
Pre-Hearing Conference: December 6, 2021	1 session	

One (1) hearing session @ \$1,150.00/session	= \$	1,150.00
Hearing: March 8, 2022	1 session	

---

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

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**

Louis P. Wagman

-

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 P. Wagman***

\_\_\_\_\_  
Louis P. Wagman  
Sole Public Arbitrator

**03/23/2022**

\_\_\_\_\_  
Signature Date

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.

March 23, 2022

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