

Public Investors Arbitration Bar Association

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PIABA RELEASES STUDY AND CALLS ON SEC & FINRA TO HALT ARBITRATOR-RECOMMENDED EXPUNGEMENTS OF CUSTOMER DISPUTE INFORMATION FROM THE CENTRAL REGISTRATION DEPOSITORY RECORDS SYSTEM

Monday, September 24, 2007 (Norman, OK) - The Public Investors Arbitration Bar Association ("PIABA") today called on both the U.S. Securities & Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") to immediately halt the existing practice which permits arbitrators to recommend the expungement of customer dispute information from the Central Registration Depository ("CRD") records system.

In support of its position, PIABA has contemporaneously released a study of all of the stipulated or settled customer awards, issued by panels of FINRA arbitrators in calendar year 2006, which were subject to the revised expungement standards that had been approved by the SEC in December of 2003.

"It is inconceivable that, in more than 71% of the stipulated arbitration awards that we have reviewed, arbitrators were permitted to recommend the expungement of customer complaints from the registration records of brokers without any indication of an evidentiary hearing having been held," said Steven B. Caruso, President of PIABA.

"These findings are particularly egregious when consideration is given to the fact that the SEC and FINRA have both historically acknowledged that the integrity and accuracy of the information on the Central Registration Depository system is critical to the interests of public investors," Caruso noted.

The CRD system is an on-line electronic registration and licensing system operated by FINRA that, since its inception in 1981, has contained information used by regulatory authorities (SEC, FINRA, other self-regulatory organizations, and state securities regulators) to make licensing and registration decisions.

Most importantly, selected information from the CRD system is also made publicly available to individual investors, who are considering whether to do business with a firm or an individual broker, by either FINRA (through the FINRA BrokerCheck program) or by individual state securities administrators pursuant to applicable law.

The information on the CRD system includes administrative information (personal, organizational, employment history, registration and other information), disclosure information (criminal matters, regulatory disciplinary actions, civil judicial actions, financial information, and information relating to customer disputes), certain categories and descriptions of employment terminations, and other information.

Expungement, which is the process through which an individual broker seeks to have all references to a customer complaint removed from his or her CRD records, has been recognized by FINRA and other securities regulators as an extraordinary remedy which should only be granted under very limited circumstances.

A stipulated award, which is an arbitration decision that the parties agree to submit to a panel of arbitrators in connection with the financial settlement of a claim, does not typically involve a hearing on the underlying merits of the claim nor any arbitrator involvement in the settlement negotiations between the parties.

In December of 2003, the SEC approved NASD Conduct Rule 2130 which imposed new standards concerning arbitrator-ordered expungement of customer dispute information from the CRD system for all customer complaints or arbitration proceedings that were filed on or after April 12, 2004.

These new standards required that an affirmative finding be made by a panel of arbitrators - - either that the claim was factually impossible or clearly erroneous; the registered person was not involved in the alleged misconduct; and/or that the claim was false - - before the expungement of customer complaints would be permitted.

“Unfortunately, the current requirement that arbitrators have to complete a one (1) hour home study course in order to be eligible to consider expungement requests, does not appear to be sufficient to communicate either the critical importance of the information on the CRD system to public investors and regulators or the fact that an inappropriate expungement, undertaken without any viable merit-based hearing, undermines the integrity of the entire investor protection and regulatory framework in our securities markets,” stated Caruso.

The PIABA study not only indicated that expungements were granted in more than 98% of all of the stipulated or settled arbitration awards where the expungement relief had been requested by the securities broker, but that there was a single individual broker, who received the expungement of eighteen (18) separate customer arbitration claims from eighteen (18) separate arbitration panels, in calendar year 2006 alone.

“This clearly illustrates that, under the current system, critical information that public investors need when they are deciding whether to conduct business with a financial broker, is being improperly concealed from them,” Caruso noted.

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The Public Investors Arbitration Bar Association (“PIABA”), established in 1990, is an international bar association which consists of more than 500 attorneys. The mission of PIABA is to promote the interests of the public investor in securities and commodities arbitration by protecting public investors from abuses in the arbitration process; making securities and commodities arbitration as just and fair as systematically possible; and creating a level playing field for the public investor in all securities and commodities arbitration forums.

Public Investors Arbitration Bar Association

STUDY OF STIPULATED OR SETTLED NASD CUSTOMER AWARDS,

ISSUED IN CALENDAR YEAR 2006, FOR WHICH STATEMENTS OF CLAIM

WERE FILED ON, OR SUBSEQUENT TO, APRIL 12, 2004

- ***TOTAL NO. OF CUSTOMER AWARDS IN STUDY: 200*** •

Date of Survey Release: September __, 2007

SECTION A: EXPUNGEMENT REQUESTED AND GRANTED IN AWARD (TOTAL NO. OF AWARDS: 182)

<u>Conduct Rule 2130 Standards for Expungement</u>								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
1	04-02773	Hammersmith v. Leerink Swann & Company, Jeffrey Alan Leerink, Timothy Daniel Skelly and Peter Francis Flynn v. Mesirov Financial, Inc. and John A. Kuhlman	Chicago		X		Yes	3 Registered Representatives Received Expungements
2	04-02827	Montgomery v. Wachovia Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Michael J. Minervini and James G. Osborne	Los Angeles	X		X	Yes	2 Registered Representatives Received Expungements
3	04-02853	Galletta v. Morgan Stanley DW, Inc., Prudential Equity Group Inc., f/k/a Prudential Securities, Inc., and John Azzato	Newark			X	Yes	
4	04-02866	St. Martin v. Merrill, Lynch, Pierce Fenner & Smith, Inc., Wachovia Securities Financial Network LLC, f/k/a First Union Securities Financial Network LLC, Frederick Henry Hensler II and Hensler & Associates Wealth Management	Detroit			X	No	
5	04-02953	Paschall v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and James Frances LaMotta	Houston			X	Yes	
6	04-02977	Adulis Enterprises v. UBS Paine Webber Inc., Carlos Garcia, Hugh McIlrevey and David Moran	Hartford		X		No	2 Registered Representatives Received Expungements
7	04-02978	Sertsionas v. UBS Financial Services, f/k/a UBS Paine Webber, Inc., Carlos Garcia, Hugh McIlrevey and David Moran	Hartford		X		No	2 Registered Representatives Received Expungements
8	04-02981	Estate of Hill v. Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc., and Scott Lee Hoffman	Philadelphia			X	No	
9	04-03014	Herman v. Morgan Stanley DW Inc. and Pamela K. Grether	Milwaukee			X	No	
10	04-03046	Strachan v. UBS Financial Services, Inc., f/k/a UBS Painewebber, Gerald McGinley, Michael Goss, Nicholas Kelly and Mark Wetzal v. John R. Strachan, Sr. and Thomas O'Keeffe	Albany			X	Yes	4 Registered Representatives Received Expungements
11	04-03078	Sidella v. Merrill Lynch, Pierce, Fenner & Smith, Inc., Frederic Mannheimer and Anthony Kurlas	Boca Raton		X		Yes	

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12	04-03107	Gurian v. Salomon Smith Barney, Inc., n/k/a Citigroup Global Markets, Inc., John C. Campeau and Noah L. Myers	New York City		X		No	2 Registered Representatives Received Expungements
13	04-03131	Davis v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Geoffrey A. Thomas	Philadelphia			X	No	
14	04-03197	Donohue v. Prime Charter Ltd, Fahnestock & Co., Inc., Oppenheimer & Co., Inc., Steven Frank Schwartz, Maritsa Electra Varvitsiotis and Christopher Jon Brainard	New York City	X	X		Yes	
15	04-03200	Mobasher v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Hani Atassi	New York City			X	No	
16	04-03352	Hawkins v. RBC Dain Rauscher, Inc. and Keith Daniel Schollard	Boston			X	No	
17	04-03359	Pistilli v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carla Bond	Newark	X	X		No	
18	04-03373	Kraus v. Signator Investors, Inc., James Arthur Gallogly, d/b/a The Heartland Gallogly Agency, and Stephen Dewey Godfrey II	Kansas City				No	No Grounds Stated for Expungement
19	04-03408	Coe v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and John T. Holland	Richmond				No	No Grounds Stated for Expungement
20	04-03493	Schnabel v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Barry Mordis	Boca Raton	X	X	X	No	
21	04-03507	Kazatsky v. Tucker Anthony, n/k/a RBC Dain Rauscher, Inc., and Robert Haber	Philadelphia	X			No	
22	04-03541	Harper v. SouthTrust Securities, Inc. and Daniel Kincaid Taylor, Jr.	Memphis				No	No Grounds Stated for Expungement
23	04-03570	Paskel v. McDonald Investments Inc. and Mark Morena	Cleveland		X		Yes	
24	04-03649	Jalil v. Merrill Lynch Pierce Fenner & Smith, Inc., Walter Charles Szturma and Merrill Lynch & Company	Chicago		X		Yes	
25	04-03712	Scheiner v. Ivestacorp and Walter Priebe	Boca Raton			X	Yes	
26	04-03834	England v. Stanley D. Romaine III, Stanley Daniel Romaine, Jr., Romaine Financial, American Skandia Marketing, Inc. and Commonwealth Financial Network	Tampa	X			No	2 Registered Representatives Received Expungements

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27	04-03845	DiRaffaele v. MetLife and David Disunno v. Rosario DiRaffaele	New York City	X			No	
28	04-03854	Newton v. Merrill Lynch, Pierce, Fenner & Smith, Inc., Scott C. Tater, Raymond B. Wert II, The Wert Group and Spickler-Wert Group	Detroit		X		No	
29	04-03924	Berube v. Morgan Stanley DW, Inc. and Paul L. Fowler	Philadelphia				No	No Grounds Stated for Expungement
30	04-04074	Noe v. Merrill Lynch, Pierce, Fenner & Smith, Inc.	Pittsburgh			X	Yes	
31	04-04227	MacKay v. Wachovia Securities Financial Network, LLC (f/k/a Corporate Securities Group, First Union Securities Financial Network, JWGenesis Financial Services, Schor Securities Corporation and Wachovia Securities Financial Network) and Joseph Vieira	New York City			X	No	
32	04-04231	Sartori v. Putnam Retail Management, True North Financial Services, Inc. and Henry Joseph Pierpan	Hartford			X	Yes	
33	04-04272	Johnson v. Summit Equities, Inc. and Peter O'Neill	New York City		X		No	Registered Representative & Broker-Dealer Received Expungements
34	04-04364	Wilmot v. Salomon Smith Barney, Inc., n/k/a Citigroup Global Markets, Inc., PFS Investments, Inc. and James Michael Lockhart	New Orleans		X		No	
35	04-04422	Richter v. Fahnestock and Co., Lee Hartzmark and Bruce Hartzmark	Boca Raton		X		No	2 Registered Representatives Received Expungements
36	04-04621	McKinley v. Prudential Equity Group, LLC, Merrill Lynch Pierce Fenner & Smith, Inc., Robert Scott Jones and Cindy Lynn Zuber	Houston				No	2 Registered Representatives Received Expungements
37	04-04647	Arango v. Washington Square Securities, Inc., Diddel & Diddel, LLC and Scott Diddel	Hartford	X			No	
38	04-04701	Lundquist v. MONY Securities Corporation, Executive Financial Group and Thomas P. Olexa	Chicago			X	No	
39	04-04766	Roark v. Advest and David Goodwin	Hartford	X		X	No	
40	04-04793	Patel v. Max International Broker-Dealer Corporation, Sandeep Bardia, Eton Chan, Nigel Allister Gilbert and David Scott Isolano	Indianapolis		X	X	Yes	2 Registered Representatives Received Expungements
41	04-04822	Wilson v. Linsco Private Ledger Corp. and Steven Groulz	Detroit		X		No	

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42	04-05014	Beltran v. Wallstreet Electronica, Inc., Rafael Avila, Carlos Noe Otalvaro, Carlos Francisco Otalvaro, UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc., Pedro Penzini and Cecilia Gonzalez	Boca Raton		X		Yes	
43	04-05028	Foran v. Morgan Stanley DW and Steven Daugherty	Chicago			X	Yes	
44	04-05040	Cenedese v. Merrill Lynch Pierce Fenner and Smith, Richard S. Wald and Mark Bradburn	New York City	X		X	Yes	2 Registered Representatives Received Expungements
45	04-05359	Bove v. Merrill Lynch and Karl Seitz	Boca Raton		X		Yes	
46	04-05367	Turk v. Sterne Agee Capital Markets and Robert Marvin Harris III	Tampa				No	Panel Decided to Utilize pre-2130 Standards for Expungement
47	04-05526	Ford v. Merrill Lynch, Pierce Fenner & Smith, Inc., Gregg A. Marks and Dominic K. Tomeo	Philadelphia	X			No	
48	04-05546	Blumberg v. Ronald Sarno, Sr., Kirsten Monika Cody and Neal Albert Bohlman	New York City	X			No	3 Registered Representatives Received Expungements
49	04-05584	Goldbert v. Morgan Stanley Dean Witter, Inc., Kenneth J. Venable and Robert DiGiacomo	Boca Raton		X		Yes	
50	04-05608	MTRS Portland Inc. v. Citicorp Investment Services and Carol Dahl	New York City	X			No	
51	04-05654	Cruchon v. Securities America, Mark Alexander Taylor and Winthrop Taylor Asset Management	San Diego			X	No	
52	04-05706	Roth v. JP Turner & Company, LLC, John Barone and Rushdi Zalatimo	Dallas		X		No	
53	04-05824	Simpson v. Legacy Financial Services and Joseph Karsner	Washington, DC	X	X		No	
54	04-05879	Abbot v. Wachovia Securities, John B. Smeriglio, Christopher J. Cunningham and John McKee	Hartford			X	Yes	2 Registered Representatives Received Expungements
55	04-05882	Gersten v. Kaplan & Co. Securities, Jed Kaplan and Eric Blau	Boca Raton		X		No	2 Registered Representatives Received Expungements
56	04-05933	Catalano v. Legacy Financial Services Inc. and Joseph R. Karsner, IV	Washington, DC		X		No	

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57	04-05943	Padgett v. Legacy Financial Services and Joseph Karsner	Washington, DC	X	X		No	
58	04-06045	Kraus v. Signator Investors, Inc., James Arthur Gallogy, d/b/a The Heartland Gallogy Agency and Stephen Dewey Godfrey III	Kansas City				No	No Grounds Stated for Expungement
59	04-06068	Carey v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Baltimore	X	X		No	
60	04-06140	Lupa v. Goodwyn, Long & Black Investment Inc., Charles Schwab & Co. Inc., Robert F. Black and Dan S. Federman	San Francisco		X		Yes	2 Registered Representatives Received Expungements
61	04-06229	Leon v. Stanford Group Company, UBS Financial Services, f/k/a UBS PaineWebber, UBS International, Wallstreet Electronica, Pedro Penzini, Rafael Avila, Carlos F. Otalvaro and Carlos N. Otalvaro	Boca Raton		X		No	
62	04-06266	Wood v. Legacy Financial Services Inc. and Joseph R. Karsner, IV	Baltimore	X	X		Yes	
63	04-06374	Marmer v. Merrill Lynch and John Lacy	Boca Raton	X	X	X	No	
64	04-06404	Blanchard v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Baltimore	X	X		No	
65	04-06590	Coan v. UBS Financial Services and Nicholas Cladis	Denver		X		Yes	
66	04-06795	Barnhart v. Legacy Financial Services, Inc. and Joseph R. Karsner	Washington, DC	X	X		No	
67	04-06796	Locklair v. Legacy Financial Services, Inc. and Joseph Karsner	Raleigh	X	X		No	
68	04-06876	Oradell Leasing Corp. v. Morgan Stanley Dean Witter, Inc. and Richard Greenspan	New York City			X	No	
69	04-06916	Trilling v. James Yglesias, James E. Nielsen and Prudential Securities	New York City	X			No	
70	04-07026	Hagel v. Deutsche Bank Securities et al.	Boca Raton	X			Yes	2 Registered Representatives Received Expungements
71	04-07109	Marshall v. Signator Investment Company, Joseph S. Porto, John Hancock Financial Services and Goodwin Insurance Agency	Buffalo		X		No	

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72	04-07196	Seibt v. Merrill Lynch Pierce Fenner & Smith, Inc. and Howard M. Lippman	Newark	X			No	
73	04-07256	Ozarow v. Dreyfus Service Corporation and Walter Blankenhorn	Boca Raton	X			No	
74	04-07310	Gieselman v. Linsco/Private Ledger and Joseph Altic	St. Louis		X		No	
75	04-07337	Bhatt v. Merrill Lynch, Ronald Samuel Ventura and Anne Mary Finley v. Kishor Bhatt	Chicago		X	X	No	2 Registered Representatives Received Expungements
76	04-07343	Hinks v. Legacy Financail Services and Joseph R. Karsner IV	Washington, DC	X	X		No	
77	04-07345	Gernand v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Baltimore	X	X		No	
78	04-07346	Harnage v. Legacy Financial Services, Inc. and Joseph R. Karsner	Washington, DC	X			No	
79	04-07347	Lothian v. Legacy Financial Services and Joseph Karsner	Washington, DC	X	X		No	
80	04-07403	Moser v. Citigroup Global Markets, Inc., Jack B. Grubman and Daniel John Moynihan	Chicago		X		No	
81	04-07404	Liles v. Prudential Equity Group, LLC, f/k/a Prudential Securities Inc., Andrew E. Samalin and Stephen Glynn	Newark		X		No	
82	04-07414	Chiang v. Morgan Stanley DW Inc., Howard H. Ye, Lin Hsieh and Lily Li	Los Angeles	X	X		Yes	
83	04-07482	McReynolds v. Merrill Lynch, Pierce Fenner & Smith, Inc. and Helen S. Hoffman	Memphis			X	No	
84	04-07600	Herman v. RBC Dain Rauscher and Mark Steven Baker	Houston	X			Yes	
85	04-07712	Howard v. CBIZ Financial Solutions, Regis Francis Larkin and Joyce Kay Lapp	Raleigh		X		No	
86	04-07848	Keefe v. Merrill Lynch, Pierce Fenner & Smith, Inc., Anthony Francis Hartigan and William Wright Bourbeau	Boca Raton	X	X	X	No	2 Registered Representatives Received Expungements

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87	04-07938	Sood v. UBS Financial Services, Inc., Successor in Interest to PaineWebber, Inc., Peter Cleary, William R. Lee and Michael O'Neil	Cleveland		X		No	2 Registered Representatives Received Expungements
88	04-08088	Dorshow v. Piper Jaffray & Company and Curtis Ray Purington	Minneapolis	X			No	
89	04-08118	Gennaro v. Quick & Reilly, Banc of America Investments, Bank of America and Daniel J. McDonald	Newark			X	No	
90	04-08148	Davidson v. UBS Financial Services	Minneapolis			X	Yes	
91	04-08160	Genna v. S.W. Bach & Company, Michael Gogliucci, Berton Seltzberg and Daniel Otoya	New York City			X	No	3 Registered Representatives Received Expungements
92	04-08207	Langelier v. Securities Service Network and Jerome C. Kelter	Boca Raton	X			No	
93	04-08295	Pattee v. Legacy Financial Services and Joseph R. Karsner	Washington, DC	X	X		No	
94	04-08296	Hyle v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Washington, DC	X	X		No	
95	04-08334	Maonia v. NatCity Investments and Michael S. Boyd	St. Louis			X	No	
96	04-08467	Segal v. Fahnestock & Company, Lee Hartzmark and Bruce Hartzmark	Boca Raton		X		No	2 Registered Representatives Received Expungements
97	04-08561	Jolly v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Baltimore	X	X		No	
98	04-08582	Leeson v. B.C. Ziegler and Company and David C. Kovalaske	Milwaukee	X	X		Yes	
99	04-08622	Watson v. SunAmerica Securities, Shirell L. McNee and David Tupper	Detroit		X		No	
100	04-08649	Meinert v. Raymond James Financial Services and Peter Wesson Cline	Seattle	X			Yes	
101	04-08776	Speer v. Merrill Lynch and Charles R. Mayn	Boca Raton		X		No	

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102	04-08797	Andrews v. Prudential Securities, Inc., n/k/a Wachovia Securities, Prudential Securities, Inc., n/ka Prudential Equity Group LLC, and Abrm Gorsuch	New York City		X		Yes	
103	04-08821	Lyubarsky v. Quick & Reilly and Kevin M. Dowd	Boston	X	X	X	No	
104	04-08830	Surinchak v. Gilford Securities, Inc., Cantella & Co., Inc., Shane Redmond, Van Raphael Neely and Porter Investment Group LLC	San Francisco			X	Yes	
105	05-00044	Tavoletti v. Amerivet Securities, Inc. and Martin Cabrera, Jr.	Chicago		X		No	
106	05-00082	Lieberman v. Citigroup Global Markets Inc., f/k/a Salomon Smith Barney, Inc., and Robert Fullerton	Los Angeles		X		No	
107	05-00147	Rivera v. Credit Suisse First Boston Corporation, Alain O'Hayon and Santiago Santos	Boca Raton	X			No	2 Registered Representatives Received Expungements
108	05-00203	Comart v. Merrill Lynch, Pierce Fenner & Smith, Inc., Michael Rosenthal, Stanley Rosenthal and Lee Ann Quenault	New York City		X		No	
109	05-00258	Piccagli v. Clair Crossland and VeraVest Investments, Inc.	Dallas		X		No	
110	05-00275	Drinks v. Legacy Financial Services, Inc., Joseph R. Karsner, IV and Joe Karsner & Associates	Baltimore	X			No	
111	05-00339	Monick v. Deutsche Bank Securities, Inc. and Stephen P. Collins	New York City	X	X		No	
112	05-00357	Johnson v. RBC Dain Rauscher, Inc., Theodore John Hamlin and Robert Joseph Hamlin	Minneapolis	X			No	
113	05-00574	McCarthy v. Morgan Stanley DW, Inc., Mark McCaffrey and Nadia Adly	Washington, DC	X			No	
114	05-00578	Seitchik v. Bainco International Investors, LLC; Newbury Street Capital, L.P., Robert G. Katz and Nancy von Stackelberg	Boca Raton		X		No	
115	05-00613	Rothschild v. Wachovia Securities LLC, f/k/a First Union Securities, and George W. Holden III	Boca Raton			X	Yes	
116	05-00746	Zanes v. Quick & Reilly, Inc., n/k/a Banc of America Investment Services, Inc., and David Sorensen	Salt Lake City		X		Yes	

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117	05-00844	Adler v. Dr. Ulises C. Sabato	New York City				No	Registered Representative Filed Claim to Obtain Expungement
118	05-00940	Jenkins v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Washington, DC	X	X		No	
119	05-01031	Khan v. Citigroup Global Markets Inc., f/k/a Salomon Smith Barney Inc., and John D. Bacich	Los Angeles	X			Yes	
120	05-01094	Klotz v. Ryan Beck & Co., LLC and David Pines	Boca Raton	X		X	No	
121	05-01095	Graybill v. Morgan Stanley Dean Witter; Wilber Ray Powell and Greogry Ray Powell	Atlanta		X		No	
122	05-01297	Webster v. Wells Fargo Securities, Inc., Wells Fargo Brokerage Services LLC, Wells Fargo Investments LLC and Richard Mower	Denver	X			Yes	
123	05-01358	Barenbrugge v. A.G. Edwards & Sons, Inc. and Bart Martinez	San Diego			X	Yes	
124	05-01403	Aronow v. Morgan Stanley Dean Witter, Inc., Allison B. Kumble and Hillary Kumble-Freeman	New York City	X			No	2 Registered Representatives Received Expungements
125	05-01416	Harrison v. Morgan Stanley Dean Witter, Ray Wilbur Powell and Gregory Ray Powell	Atlanta		X		Yes	
126	05-01485	Turner v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Robert Arthur Johnson	Philadelphia	X		X	Yes	
127	05-01565	Lewis v. Dina Louise Fliss, Nancy Ann Moate, WMA Securities, Inc and World Group Securities, Inc	Boca Raton		X		No	
128	05-01580	Kern v. National Planning Corp., Dale E. Wright, Michael J. Thaler, John Edward Girouard, Capital Investment Advisors and Equity Concepts LLC	Richmond		X		Yes	
129	05-01593	Reid v. Cambridge Investment Research, Inc., Mutual Service Corporation, La Salle Street Securities Inc., Securities Service Network and Scott Olson	Orlando			X	Yes	
130	05-01745	Caputo v. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Anthony Todd Watts	Charleston, WV	X	X	X	No	
131	05-02190	Berger v. Wachovia Securities LLC, Ronald W. Fox, Stephen Heckmeyer, Neil R. Cooper and Douglas L. Meyer	Chicago		X		No	2 Registered Representatives Received Expungements

<u>Conduct Rule 2130 Standards for Expungement</u>								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
132	05-02234	Pidi v. Nicholas Dimitriou and Lisa Spurlin	Newark	X			No	2 Registered Representatives Received Expungements
133	05-02401	Alfonso v. Mickey Filippucci, Oscar Melian, Joseph Traba and Prudential Securities, Inc.	Boca Raton		X		Yes	2 Registered Representatives Received Expungements
134	05-02450	Blagden v. Todd Bray and Calton & Associates, Inc.	Hartford	X			No	
135	05-02531	Strausberg v. Lincoln Financial Advisers Corp. and Katrina Rose	Baltimore		X		No	
136	05-02534	Rhoades v. RBC Dain Rauscher and Charles Lowry Fuller	Kansas City		X		No	
137	05-02553	Weingarden Revocable Living Trust v. H&R Block Financial Advisors, Inc., f/k/a Olde Discount Corporation, and Michael Karfis	Boston		X		No	
138	05-02591	LeBlanc v. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Robert Ewing IV and Randy Kirby	New Orleans		X		Yes	
139	05-02728	Holloway v. Citigroup Global Markets Inc., Anthony Townsend Williams, Daniel Wayne Doer and Brendan Willmann	Cincinnati		X		No	
140	05-02957	Mayher v. Morgan Stanley DW Inc., Jonathan Berstein, Craig Norton, Christopher Babinski, Florence Sider and Joseph Adornato	Boca Raton	X		X	No	
141	05-02972	Citigroup Global Markets, Inc., Rick Phillips, Martin Erzinger and Allan Barrows v. Prinzi	San Francisco				Yes	Registered Representatives Filed Claim to Obtain Expungement - 3 Registered Representatives Received Expungements - Panel Decided to Utilize pre-2130 Standards for Expungement
142	05-03029	Ravdin v. Steve Athanassie and Charles Schwab & Co., Inc.	Boca Raton		X		No	
143	05-03066	Orgel v. Hennion & Walsh, Inc. and Dominic Nori	New York City	X			No	
144	05-03207	Stackpole v. Merrill Lynch, Pierce, Fenner & Smith, Inc., Marshall A. Leber and Joseph Berkery	Newark			X	No	
145	05-03266	Bakalor Revocable Living Trust v. GunnAllen Financial, Inc. and Brian Velten	Tampa	X			No	
146	05-03318	Lufrano v. Kirlin Securities Inc. and Edward P. Deicke	New York City		X		No	

Conduct Rule 2130 Standards for Expungement								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
147	05-03457	Maciag v. Morgan Stanley DW Inc. and William Messner	Boca Raton		X		No	
148	05-03469	Pythia Finance Corp. v. Prudential Equity Group LLC, f/k/a Prudential Securities, and Anthony Sica	New York City	X			No	
149	05-03557	Mullick v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Edmund F. DiLeone	Boston		X		No	
150	05-03617	Grove v. Merrill Lynch, Pierce, Fenner & Smith, Anita M. Dungan and Kent V. Pearce	Baltimore		X		Yes	
151	05-03667	Stephan v. Morgan Stanley DW Inc., Thomas Biadas and John Damiano	Cleveland		X		No	
152	05-03723	Messner v. Morgan Stanley DW Inc. and William Messner	Orlando		X		No	
153	05-03764	Pattison v. Commonwealth Financial Network and Mark S. Singe	Boston	X			No	
154	05-03801	Pearlstone v. McLaughlin, Pevin, Vogel Securities, Inc., James Joseph McLaughlin, Sr., James Cecil McLaughlin, James Michael Kennedy, Edward Thomas Brienza and Ira Arnold Cohen	Boca Raton		X		Yes	2 Registered Representatives Received Expungements, but 3 Registered Representatives Were Denied Expungements
155	05-03906	Sasizberg v. Sage Ruty & Co., Inc. and Douglas Parker	Buffalo	X			No	
156	05-03963	Pearce v. Merrill Lynch, Pierce Fenner & Smith, Inc., Joseph A. Girgenti and Suzanne Cline Boyd-Chapman	Dallas		X		Yes	
157	05-04033	Reymanna v. Sun Trust Securities, Inc. and Vincent Luongo	Cleveland	X	X		No	
158	05-04313	Borough of Crafton v. Morgan Stanley DW Inc., Sean McClorey and Steven W. Wilde	Pittsburgh		X		Yes	
159	05-04372	Philadelphia Financial of San Francisco LLC v. Bear Stearns & Co. Inc. and Allesandro P. Garbuio	Los Angeles		X		No	
160	05-04412	Crosby v. RBC Dain Rauscher and John F. "Jack" Cashman	Dallas	X			No	
161	05-04782	Michael E. Swan v. Cassidy Family Trust	Simplified		X		No	Registered Representative Filed Claim to Obtain Expungement

<u>Conduct Rule 2130 Standards for Expungement</u>								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
162	05-04851	Bernstein v. Belenke	Simplified		X		No	Registered Representative Filed Claim to Obtain Expungement
163	05-05020	Owens v. Merrill Lynch, Pierce, Fenner & Smith, Inc. and Caesar A. Cepeda	Los Angeles	X			Yes	
164	05-05026	Balta v. Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc., and John F. Sorensen	Buffalo		X		Yes	
165	05-05072	Prudential Equity Group LLC and Mary Ellen Kay v. Abrams	Simplified		X		No	Registered Representative Filed Claim to Obtain Expungement
166	05-05189	Drozdz v. Securities America, Inc., Reliance Financial Group and John Matthew Lunghino	Buffalo			X	No	
167	05-05198	Hohmann v. Prudential Equity Group, Inc., f/k/a Prudential Securities, Inc., and Michael D. Lereah	Newark			X	No	
168	05-05606	David v. A.G. Edwards & Sons, Inc. and Kenneth Recchia	Los Angeles			X	Yes	
169	05-05821	Banc of America Investment Services, Inc., Alan R. Rosenberg, Patrick M. Dowden and Frederick R. Warren v. Reingold	Simplified	X			No	Registered Representatives Filed Claim to Obtain Expungement - 3 Registered Representatives Received Expungements
170	05-05922	Rankin v. Brundyn Securities, Inc., James Caricola and Peter Mirenda	Pittsburgh		X		No	
171	05-06199	Kovnat v. Daniel S. Spring and Advest, Inc.	Hartford	X			Yes	
172	05-06269	Merrill Lynch, Pierce Fenner & Smith and Kevin Murphy v. Warner	New York City				No	Registered Representative Filed Claim to Obtain Expungement. Panel Decided to Utilize pre-2130 Standards for Expungement
173	05-06283	Joel Frost v. Elinoff	Boca Raton		X	X	Yes	Registered Representative Filed Claim to Obtain Expungement
174	05-06326	Cecchin v. Patricia Tierney	San Francisco			X	Yes	Panel Decided to Utilize pre-2130 Standards for Expungement
175	05-06623	Finkel v. Andrew Mayer and WJ Nolan & Company	New York City	X			No	
176	06-00165	Merrill Lynch, Pierce Fenner & Smith, Mary Beth Chavez and Linda Paul v. Judy	New York City	X			No	2 Registered Representatives Filed Claim to Obtain Expungement

Conduct Rule 2130 Standards for Expungement								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>

177	06-00440	Gerald Bradley Goodchild II v. Brahams	Simplified		X		No	Registered Representative Filed Claim to Obtain Expungement
178	06-00464	Hill v. Kim Kantor	Tampa		X		No	
179	06-00581	Tyre v. Merrill Lynch, Pierce, Fenner & Smith and Adrian Judson Force	Baltimore	X		X	No	
180	06-00835	Gleason v. Spencer Trask Ventures, Inc. and Scott R. Schulte	Providence	X			No	
181	06-02026	Easterday v. Legacy Financial Services, Inc. and Joseph R. Karsner, IV	Washington, DC	X		X	No	
182	06-02733	South v. Frank W. Hill and Helen M. Hill, Trustees of the Hill Family Trust, and Cathleen A. Hill	Los Angeles		X		No	Registered Representative Filed Claim to Obtain Expungement

NOTABLE STATISTICS:

1. Of the 185 awards that were issued by a panel of arbitrators where expungements had been requested, expungements were granted in 182 of those awards, or 98.4% of the total.
2. The Conduct Rule 2130 Standard of "Factually Impossible or Clearly Erroneous" was indicated in 70 of the 182 awards, or 38.5% of the total.
3. The Conduct Rule 2130 Standard of "Registered Person Not Involved" was indicated in 95 of the 182 awards, or 52.2% of the total.
4. The Conduct Rule 2130 Standard of "False Claim" was indicated in 48 of the 182 awards, or 26.4% of the total.
5. A hearing was NOT held by the arbitration panel, before the indicated expungements were granted, in 130 of the 182 awards, or 71.4% of the total.
6. A total of 219 Registered Representatives received expungements in the 182 awards.
7. There was a single Registered Representative (Joseph Karsner) who received 18 separate expungements in calendar year 2006. [See, Awards at Tabs 53, 56, 57, 59, 62, 64, 66, 67, 76, 77, 78, 79, 93, 94, 97, 110, 118 and 181]

SECTION B: EXPUNGEMENT REQUESTED AND DENIED IN AWARD (TOTAL NO. OF AWARDS: 3)

<u>Conduct Rule 2130 Standards for Expungement</u>								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
183	04-03371	Strausberg v. William I. Kissinger, Kissinger Financial Services, Inc., Preston Management, Inc. and Kissinger Advisory, Inc.	Baltimore				Yes	
184	04-07886	Miles v. American General Securities and Leroy Jack Smith	New Orleans				No	
185	05-03801	Pearlstone v. McLaughlin, Pevin, Vogel Securities, Inc., James Joseph McLaughlin, Sr., James Cecil McLaughlin, James Michael Kennedy, Edward Thomas Brienza and Ira Arnold Cohen	Boca Raton				Yes	2 Registered Representatives Received Expungements, but 3 Registered Representatives Were Denied Expungements

SECTION C: EXPUNGEMENT REQUESTED IN STATEMENT OF ANSWER, BUT NOT GRANTED OR ADDRESSED IN AWARD (TOTAL NO. OF AWARDS: 3)

<u>Conduct Rule 2130 Standards for Expungement</u>								
<u>Tab</u>	<u>Case Number</u>	<u>Case Name</u>	<u>Venue</u>	<u>Factually Impossible or Clearly Erroneous</u>	<u>Registered Person Not Involved</u>	<u>False Claim</u>	<u>Was Hearing Held on Expungement Request</u>	<u>Other Comments</u>
186	04-05098	Jones v. American General Securities and Leroy Jack Smith	New Orleans					Expungement Requested in Statement of Answer - No Discussion in Award
187	04-08451	Howell v. American General Securities and Leroy Jack Smith	New Orleans					Expungement Requested in Statement of Answer - No Discussion in Award
188	05-04701	Bruer v. Genworth Financial Securities Corporation, f/k/a Terra Securities Corporation, Hochman & Baker Securities, Inc. and Denis Alan Poffenberger	Milwaukee					Expungement Requested in Statement of Answer - No Discussion in Award

SECTION D: EXPUNGEMENT NOT REQUESTED IN AWARD (TOTAL NO. OF AWARDS: 13)

189	04-03624	Greenapple v. Morgan Stanley DW Inc., Noha M. Abdellatif and Martin A. Klein III	Los Angeles
190	04-05616	Morris v. Citadel Investmenst Services, CFPS, Harold L Vannier and Michael A. Courte	St. Louis
191	04-07373	Colon v. Oppenheimer & Co., Inc., f/k/a Prime Charter Ltd. and Fahnestock & Co.	Boca Raton
192	05-00954	McKinley v. Merrill Lynch, Pierce Fenner & Smith, Inc., Gene Rankin and Michael A. Tramontano	Dallas
193	05-01142	Steffens v. First Command Financial Planning, Inc.	Simplified
194	05-01920	Spooner v. H&R Block Financial Advisors, Inc.	Detroit
195	05-02502	Lingwall v. Berthel Fisher & Company Financial Services, Inc.	Des Moines
196	05-02621	Jeter v. Royal Alliance Associates, Inc., John Owens Investment Management, Inc. and John Owens	Birmingham
197	05-03707, 05-03610 & 05-02619	Keller v. MidSouth Capital, Inc.	Atlanta
198	05-05615	Medley v. UBS Financial Services, Inc. and Elizabeth Anne Rinehimer	Houston
199	05-06041	Humphrey v. J.P. Morgan Securities, Inc., successor to Hambrecht & Quist LLC	Dallas
200	05-06140	Downey v. CIBC World Markets Corp.	Birmingham
201	05-06318	Schlissel v. Raymond James Financial Services, Inc., AmeriFinancial, d/b/a Fareri Financial Services, Inc. and Anthony Fareri	Boca Raton

* Note: Due to the fact that expungement requests were granted, in part, and denied, in part, the awards listed at Tabs 154 and 185 are the same award.