

APPENDIX

1.

REDACTED STATEMENT OF CLAIM
FILED BY BROKER SEEKING TO
EXPUNGE COMPLAINT WHERE
BROKERAGE FIRM SETTLED FOR
\$450,000.

Settlement Amount on p. 5

FINRA DISPUTE RESOLUTION

In the Matter of the Arbitration between

[Redacted]

Claimant,

vs-

[Redacted]

Respondent.

Arbitration No.

STATEMENT OF CLAIM

Pursuant to FINRA Rule 2080, Claimant seeks expungement of one disclosure that has been made on his Form U-4 and is included on his CRD. Claimant seeks \$1.00 (One Dollar) in monetary damages.

Parties

1. [Redacted] (hereinafter "Claimant", "Petitioner", and/or "Mr. [Redacted]") is an associated person (CRD no. [Redacted]), employed by [Redacted] maintains its principal place of business in [Redacted] New Jersey. Claimant is seeking to have a disclosure regarding [Redacted]

[Redacted] expunged from his CRD.

This custom

... pocket losses for the Claimants' investment accounts as of February 2014, at the time Mr. [Redacted] assumed responsibility for the account, plus statutory attorneys' fees. It is essential to note that, while Mr.

██████████ was named in the arbitration which resulted in the disclosure on his CRD, the losses in the investment accounts had already occurred as of February 2014, when Mr. ██████████ became the broker of record. The accounts at issue in the arbitration had been established at ██████████ in 2009.

2. The record shows that Mr. ██████████ was not involved in the investment accounts at issue until after February 2014. Upon being assigned the ██████████ investment accounts, Mr. ██████████ conducted a review of the investment accounts and noted that Ms. ██████████ and Ms. ██████████ were heavily invested in variable rate structured notes that had sustained significant unrealized losses because of the resetting of interest feature of these investment products. When Mr. ██████████ was assigned these investment accounts, many had reset to a new rate and had the potential to earn zero interest.

3. Mr. ██████████ recommended exchanging the structured notes for tax free municipal bonds. As residents of New York, the interest would be exempt from both federal and state tax.

4. As Mr. ██████████ was not the associated person involved in the sales which caused the Claimants' losses, which were the basis of the settlement, expungement is proper under FINRA Rule 2080 subsection B.

5. Mr. ██████████ has never requested an expungement of this disclosure which appears on his CRD (See Mr. ██████████ BrokerCheck attached hereto as "Exhibit "2").

6. Claimant reserves the right to amend this Statement of Claim.

BACKGROUND

a. ██████████
██████████

7. ██████████ and ██████████ reside together in New City, New York.

██████████ opened the first ██████████ investment account in April 2009 with Financial Advisor

██████████ As stated in her new account documentation, she indicated investment objectives

that permitted speculation, a moderate risk tolerance, and investment objectives seeking income. She also stated that she was in a 28% tax bracket and had a liquid net worth of \$250,000 to \$1,000,000 (See [REDACTED] New Account Forms attached as Exhibit "3").

8. [REDACTED] opened an investment account shortly thereafter in March 2009. She had an investment profile and investment objectives similar to [REDACTED]. She stated she was seeking income and total return, had a liquid net worth of \$250,000 to \$1,000,000 and a 28% tax bracket (See [REDACTED] New Account Forms attached as Exhibit "4").

9. As stated above, structured products, also known as variable rate notes, comprised a large portion of the [REDACTED] and [REDACTED] investment accounts at the time Petitioner was assigned to be their financial advisor. Variable rate notes are subject to significant interest rate fluctuation. In the immediate aftermath of the financial crisis of 2008, structured products performed well, but by 2014, when Petitioner began managing the [REDACTED] accounts, these structured product investments were either no longer generating interest or had reset to a very low rate.

10. Petitioner has been in the securities industry since January 2005, having spent his entire career at [REDACTED]. Petitioner possesses series 7 and 63 securities licenses.

11. Upon taking over the investment accounts of [REDACTED] and [REDACTED], Petitioner confirmed their investment profile and objectives.

12. Petitioner immediately informed [REDACTED] and [REDACTED] of the potential danger concerning their variable rate notes. It was at this point that [REDACTED] and [REDACTED] asked for guidance and options from Petitioner. During a time period when interest rates were at historic lows, Mr. [REDACTED] worked to salvage an extremely difficult situation: exchange the [REDACTED] and [REDACTED] investment accounts out of their structured notes for municipal bonds while, at the same

time, maintaining their principal and generating the amount of interest they had come to expect. Pursuant to discussions with [REDACTED] and [REDACTED], Mr. [REDACTED] sold the [REDACTED] and [REDACTED] structured notes and purchased Puerto Rico Sales Tax "COFINA" bonds.

13. Some additional context is needed to fully comprehend the logic behind moving [REDACTED] and [REDACTED] out of their variable rate notes and into Puerto Rico COFINA Bonds.

14. The Puerto Rico COFINA bonds that were swapped for the variable rate structured notes were widely considered the safest of all Puerto Rican municipal bond issues. They were rated A+/A+/Baa2 at the time they were acquired by all three of the major rating agencies. The COFINA Bonds were secured by a dedicated sales tax stream. In giving these bonds an A+ rating, the rating agency, Fitch, cited the revenue pledge that "insulate the bonds from the strained general fund operations of the commonwealth." This insulation was due to the legal protection afforded the COFINA bonds in their official statement.

15. Per the Official Statement, the legislative act creating Puerto Rico Law 91 of 2006, required that in each fiscal year, all collections of the Commonwealth Sales Tax be deposited in the Dedicated Sales Tax fund or lock box, until an amount equal to the pledged sales tax base amount was deposited. The funds in the Dedicated Sales Tax fund or lock box, were not co-mingled with other Commonwealth debt, hence giving them their high rating and "insulation" per the Fitch ratings report.

16. In addition, the annual debt service revenues being deposited into the lock box were 5.2x for the senior lien and 1.9x for the first subordinate lien COFINA Bonds. According to Fitch, revenues for fiscal year 2013 would have been sufficient to fund debt service without growth through 2056 (senior lien) and 2030 (first subordinate lien). To add to all of this, the

Commonwealth passed a bill in April 2014 to increase the sales tax from 5.5% to 6%, further boosting revenue and debt service coverage on the COFINAs.

17. It was taking all of this information into account that the decision to move [REDACTED] and [REDACTED] out of their variable rate notes and into Puerto Rico COFINA municipal bonds was made.

18. [REDACTED] and [REDACTED] filed their Statement of Claim on December 20, 2017 seeking damages in the range of \$1,000,000 to \$3,000,000. On January 31, 2019, [REDACTED] settled the matter for \$450,000.00. As stated above, this settlement represented the net out of pocket losses for [REDACTED] and [REDACTED] in connection with the variable rate notes that had been acquired prior to Petitioner even having access to their investment accounts. These trades had occurred prior to Mr. [REDACTED] being involved as the Financial Advisor for [REDACTED] and [REDACTED]. As the petitioning registered person was not involved in the specified allegations of investment-related sales practice violation, Expungement is proper per FINRA Rule 2080 subsection (b).

CLAIM

EXPUNGEMENT FINRA RULE 2080

19. FINRA Rule 2080 mandates that, for an associated person to seek expungement of information from the CRD system, he must show any of the three below:

(A) The claim, allegation, or information is factually impossible or clearly erroneous;

(B) The registered person was not involved in the alleged investment related sales practice violation, forgery, theft, misappropriation, or conversion of funds; or

(C) The claim, allegation, or information is false.

20. As set forth herein, the disclosure discussed here was not the result of actions by Petitioner, but were sustained before he assumed responsibility of the investment accounts at issue. As such, expungement of this matter is appropriate pursuant to FINRA Rule 2080(b)(1) sub-section (B).

21. Mr. [REDACTED] meets the requisite criteria set forth in FINRA Rule 2080(b)(1) for the expungement of references from his CRD registration records.

22. The expungement of this complaint from Mr. [REDACTED] record will further the purpose of the CRD system by preventing claims, in which Mr. [REDACTED] was not connected, from tarnishing his registered representative records. The expungement of this matter from Mr. [REDACTED] CRD will have no material adverse effect on investor protection, the integrity of the CRD system, or regulatory requirements. Mr. [REDACTED] has been a trusted and respected member of the financial industry and his CRD records should not be tarnished by allegations that do not involve any wrongdoing on his part.

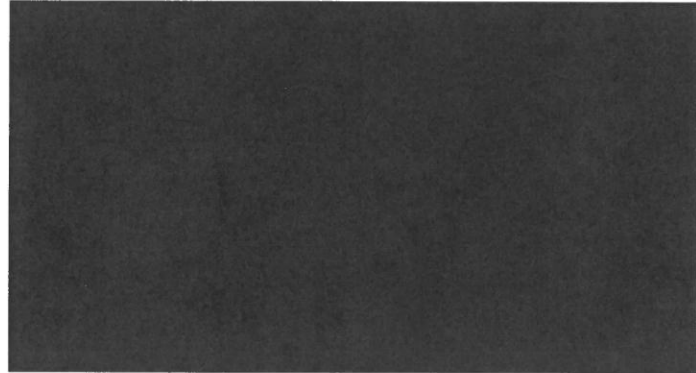
23. For the foregoing reasons, Mr. [REDACTED] is entitled to the expungement of this complaint from his Form U-4, U-5, and placed on his CRD record, under the guidelines set forth in Rule 2080.

Therefore, Mr. [REDACTED] requests an award to the following effect:

1. Complete expungement of the settlement pertaining to FINRA Arbitration No.: [REDACTED] from his CRD record.
2. Damages in the amount of \$1.00 (one dollar).

Dated: April 17, 2019

Respectfully submitted,



Attorneys for Respondent

CERTIFICATION OF SERVICE

I, [REDACTED] certify that by DR-PORTAL, on this day, April 17, 2019, the foregoing was served upon:

FINRA Dispute Resolution

A handwritten signature in black ink, consisting of a large initial 'O' followed by a series of loops and a long, sweeping tail.

By: [REDACTED]

2.

EXAMPLES OF NOTICE PROVIDED BY
BROKER'S COUNSEL TO CUSTOMERS
RE: EXPUNGEMENT HEARING



SENT VIA: U.S. Certified Mail – 7016 3010 0000 8800 8699

DATE: October 31, 2018

TO:

REDACTED

FROM: Dochter D. Kennedy
AdvisorLaw, LLC
9737 Wadsworth Parkway, Ste 205
Westminster, CO 80021
(303) 952-4025

RE: Bryan Scott Jarman vs. Merrill Lynch Pierce Fenner & Smith Inc; Case ID: 18-01771

Dear **REDACTED**,

Please allow the following correspondence to serve as formal notice required by the Financial Industry Regulatory Authority (FINRA) pursuant to published guidance, "Notice to Arbitrators and Parties on Expanded Expungement Guidance," that a request for customer dispute expungement has been filed in the aforementioned case. The arbitration Chair may consider the allegations made by you in regard to FINRA Rule 2080 when making a determination whether continued publication of your allegations will provide a benefit to the investing public.

Although you are not required, nor under a duty to do so, you may participate in this hearing, currently scheduled for **November 30, 2018 at 09:00 AM Pacific Time Zone**, or submit written documentation. Please contact us if you have any questions or would like additional information about this case.

Respectfully,

Dochter D. Kennedy
President & Founder
AdvisorLaw, LLC

Enclosure:

Statement of Claim dated May 7, 2018.

Initial Pre-hearing Conference Scheduling Order, dated August 29, 2018

AdvisorLaw, LLC
9737 Wadsworth Parkway Ste 205
Westminster, CO 80021

Dochter Kennedy
President & Founder
Regulatory Representation

(720) 282-5154
doc@advisorlawyer.com
advisorlawyer.com



SENT VIA: U.S. Certified Mail – 7018 3090 0000 6487 3864

DATE: August 2, 2019

TO: [REDACTED]

FROM: Harris Freedman, Esq.
AdvisorLaw, LLC
9737 Wadsworth Pkwy, Suite 205
Westminster, CO 80021
(720) 845-1252

RE: [REDACTED]

Dear [REDACTED]

Pursuant to FINRA’s published guidance, “Notice to Arbitrators and Parties on Expanded Expungement Guidance,” we are notifying you that a request for customer dispute expungement relief has been filed in the aforementioned case.

The immediate matter is between [REDACTED]. You are not a party to this case, nor do you have any duty or obligation to answer, respond, participate, or engage in any manner. The sole purpose of this proceeding is to allow a FINRA arbitration Chairperson or Panel to consider the allegations contained in your October 17, 2017 communication [REDACTED] as they pertain to the factors of FINRA Rule 2080.

Whether upon the advice of competent counsel or upon making an informed decision absent adequate counsel, you may participate in this hearing, currently scheduled for September 5, 2019 at 9:00 AM Pacific Standard Time, or submit written documentation. Please contact us if you have any questions or would like additional information about this case.

Respectfully,

Harris Freedman, Esq.
Associate
AdvisorLaw, LLC
T: (720) 845-1252
E: legal.harris@advisorlawyer.com

[REDACTED]

3.

EXAMPLES OF ARBITRATION AWARDS
SHOWING AMOUNT OF FORUM FEES
CHARGED BY FINRA IN CASES
INVOLVING THREE ARBITRATORS
VERSUS SINGLE ARBITRATOR

3 Arbitrators - Forum Fees on p. 5 of 6.

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimant
Timothy Burr Davis

Case Number: 16-00164

vs.

Respondent
UBS Financial Services Inc.

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Timothy Burr Davis: Deborah Gale Evans, Esq., Dhar Law, LLP,
Charlestown, Massachusetts.

For Respondent UBS Financial Services Inc. ("UBS"): Andrea Greene, Esq., Bressler,
Amery & Ross, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: January 14, 2016.
Amended Statement of Claim filed on or about: April 13, 2016.
Timothy Burr Davis signed the Submission Agreement: January 11, 2016.

Statement of Answer to Amended Statement of Claim filed by Respondent on or about:
May 3, 2016.
Respondent did not sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim and Amended Statement of Claim, Claimant asserted the following cause of action: expungement of his CRD records.

Unless specifically admitted in its Answer to the Amended Statement of Claim, Respondent denied the allegations of misconduct made in the Amended Statement Claim. Respondent did not oppose the expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of his CRD records, attorneys' fees, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent UBS Financial Services Inc. did not file with FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

By correspondence dated May 3, 2016 Respondent indicated it did not intend to participate in the hearing.

The Panel conducted a recorded in person hearing on August 29, 2016 so the parties could present oral argument/evidence on Timothy Burr Davis' request for expungement.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent UBS Financial Services Inc. has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code of Arbitration Procedure (the "Code").

The non-party customers who filed the complaint or arbitration claims did not participate in the expungement hearing. The Panel determined that pursuant to Claimant's submission of proof of service on the customers, the customers received due notice of the expungement request, and that the hearing would proceed without the customers present.

In recommending expungement, the Panel considered Claimant's testimony, the pleadings, exhibits, and Claimant's BrokerCheck Report. The Panel also reviewed the settlement documents of the customers stemming from the arbitration claims and Respondent's affidavit regarding the settlement agreement stemming from the customer complaint, considered the settlement amounts paid to any clients, and considered other relevant terms and conditions of the settlements. The Panel further noted that Claimant did not contribute to the settlement amounts nor were the settlements conditioned upon an agreement not to oppose the request for expungement. The Panel confirmed that Claimant did not previously file any claims requesting expungement of the same disclosures in the Central Registration Depository.

AWARD

After considering the pleadings, the testimony and evidence presented at the recorded expungement hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungement of all references to the following complaints: occurrence numbers 1494049 – event date November 30, 2011; 1433392 – event dates December 12, 2008 and May 18, 2009 ; and 1609685 – event date April 16, 2012 from Claimant Timothy Burr Davis' (CRD# 3141863) registration records maintained by the Central Registration Depository ("CRD"), with the understanding that, pursuant to Notice to Members 04-16, Claimant Timothy Burr Davis 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 12805 of the Code, the arbitration panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

The Panel concludes that the three disclosures were clearly erroneous, that the disclosures have no meaningful investor protection or regulatory value, and that the three disclosures should be expunged.

The three disclosures in question relate to separate customers and all related to settlements with UBS. The first and third disclosures (occurrence numbers 1494049 and 1609685) are: "Claimant alleges unsuitability and omissions in connection with the sale of structured products: Time frame 10/07 - 2008." In both instances the customers pursued their claims through arbitration and their claims are part of the record. The second disclosure is "Time Frame: February 26, 2008 to October 1, 2009 - Client alleges his financial advisor told him that his principal was guaranteed in his structured product investment. Client did not make a claim for damages." The customer reached a settlement with UBS without filing for arbitration. There is no written claim in the record.

Mr. Davis was not named in either of the claims pursued in arbitration and he was not afforded an opportunity to defend against any of the complaints filed against UBS. Mr. Davis was not part of any of the individual settlement agreements reached with UBS, nor did he contribute to any of these settlements. UBS elected not to participate in the hearing in this matter. Mr. Davis provided evidence that all three customers were notified of this hearing and none appeared. One customer, Mr. Salvatore, who is currently abroad, emailed that he would not oppose Mr. Davis' expungement request.

In their Statements of Claim, the customers who brought their cases to arbitration made two similar allegations: UBS misled and fraudulently induced them to make unsuitable investments in Lehman Brothers Principal Protected notes; and UBS failed to disclose Lehman Brothers' financial troubles and ratings downturns. As noted above, there is no Statement of Claim as to the second disclosure (occurrence number 1433392).

The evidence presented at hearing included, inter alia, Mr. Davis' testimony and documents demonstrating each customer's financial information, risk tolerance, investment objectives and investment experience and the basis for Mr. Davis' recommendations to each customer to invest in Lehman Brother's Principal Protected Notes as part of a diversified investment portfolio. The record also contains a sample prospectus that was similar to those distributed by Mr. Davis when recommending the Lehman notes in question. This evidence supports an affirmative finding by the Panel that Mr. Davis neither misled nor fraudulently induced any of the three customers to make unsuitable investments in Lehman Brothers Principal Protected notes insofar as: (a) Mr. Davis' recommendations were consistent with each investor's financial profile and plan; (b) Mr. Davis relied on the resources made available to him within UBS, and (c) that Mr. Davis acted in what he believed to be in his customers' best interests at all times.

With regard to the allegation in the second disclosure, the Panel affirmatively finds that Mr. Davis provided the Client, whom Mr. Davis described as having twenty years of investment experience and considerable experience in structured products, with a prospectus that expressly stated that "an investment in the Notes will be subject to the credit risk of Lehman Brothers Holdings Inc."

Finally, the evidence supports a further affirmative finding by the Panel that Davis did in good faith disclose, in a timely fashion to his clients, the information that had been provided to him by UBS, including the hold recommendations made by UBS analysts, and that he played no role in withholding any differing risk assessments that may have been made at higher levels within UBS.

2. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee = \$ 1,575.00

**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, UBS Financial Services Inc. is assessed the following:

Member Surcharge = \$1,900.00
Member Process Fee = \$3,750.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: June 9, 2016 1 session

One (1) Hearing session on expungement request @ \$1,125.00/session
Hearing Date: August 29, 2016 1 session = \$1,125.00

Total Hearing Session Fees = \$2,250.00

The Panel has assessed the \$2,250.00 hearing session fees to Claimant.

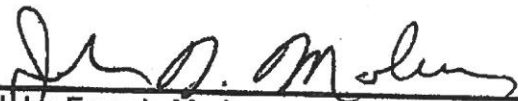
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

John Francis Markuns	-	Public Arbitrator, Presiding Chairperson
Nickolas F. Monteforte	-	Public Arbitrator
Scott K. Shaw	-	Non-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.


Concurring Arbitrators' Signatures



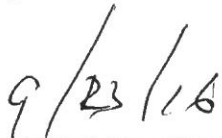
John Francis Markuns
Public Arbitrator, Presiding Chairperson



Signature Date

Nickolas F. Monteforte
Public Arbitrator


Scott K. Shaw
Non-Public Arbitrator

Signature Date


Signature Date

September 27, 2016
Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

John Francis Markuns	-	Public Arbitrator, Presiding Chairperson
Nickolas F. Monteforte	-	Public Arbitrator
Scott K. Shaw	-	Non-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.

Concurring Arbitrators' Signatures

John Francis Markuns
Public Arbitrator, Presiding Chairperson

Signature Date



Nickolas F. Monteforte
Public Arbitrator

9-26-2016

Signature Date

Scott K. Shaw
Non-Public Arbitrator

Signature Date

September 27, 2016
Date of Service (For FINRA Dispute Resolution office use only)

Single Arbitrator - Forum fees on p. 6 of 6.

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Thomas Edison Kelly

Case Number: 18-00674

vs.

Respondent
National Securities Corporation

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Thomas Edison Kelly: Erica Harris, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent National Securities Corporation: Emily A. Hayes, Esq., National Securities Corporation, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 20, 2018.
Claimant signed the Submission Agreement: February 20, 2018.

Statement of Answer filed by Respondent on or about: April 11, 2018.
Respondent signed the Submission Agreement: April 11, 2018.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of the occurrences from his CRD record pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous.
2. Expungement of the occurrences from his CRD record pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false.
3. An award of damages in the amount of \$1.00.

4. Any and all other relief as deemed just and equitable.

Claimant withdrew the request for \$1.00 damages during the hearing.

In the Statement of Answer, Respondent took no position on Claimant's expungement request and asked that Claimant pay all forum fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

The Arbitrator conducted a recorded telephonic hearing on December 19, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Claimant informed FINRA Office of Dispute Resolution that the customer in the underlying complaint for Occurrence Number 1569279 is deceased and therefore could not be notified of Claimant's expungement request.

Claimant provided FINRA Office of Dispute Resolution with proof that he notified the customers in the underlying complaints for Occurrence Numbers 1588893 and 1599420 of the expungement request and of their right to participate and testify at the expungement hearing and included a copy of the Statement of Claim with the notice.

The customer in the underlying complaint for Occurrence Number 1588893 did not participate in the expungement hearing and did not contest the request for expungement.

The customer in the underlying complaint for Occurrence Number 1599420 participated in the expungement hearing and opposed the request for expungement.

The Arbitrator reviewed the BrokerCheck® Report Thomas Edison Kelly and noted that he did not previously file claims requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings, correspondence, account records, and Claimant's testimony presented at the expungement hearing.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, 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 1569279 from registration records maintained by the Central Registration Depository ("CRD"), for Claimant Thomas Edison Kelly (CRD# 2877415), with the understanding that, pursuant to Notice to Members 04-16, Claimant Thomas Edison Kelly 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 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:

In or around 2003, the customer became Claimant's client. Based on a review of his financial situation and objectives, he was interested in fixed income investments. The account was non-discretionary. In October 2008, after several discussions with Claimant, the customer made an unsolicited investment in certain bonds. Due to the market correction of 2008-2009, the customer sustained losses on this bond position.

In June of 2011, the customer alleged unauthorized trading in his account and margin problems. However, he did not have a margin account, and the claim of unauthorized trading was not substantiated by the testimony or the exhibits produced. The claim was denied by the firm and no further action was taken by the customer, who passed away in 2013.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1588893 from registration records maintained by the Central Registration Depository ("CRD"), for Claimant Thomas Edison Kelly (CRD# 2877415), with the understanding that, pursuant to Notice to Members 04-16, Claimant Thomas Edison Kelly 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 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 customer, a sophisticated investor, became Claimant's client prior to October, 2011 with a primary objective of speculation. Based on his customer profile, Claimant and the customer discussed in detail an investment in SLM Corp. stock. When a sizeable position became available, the customer agreed to purchase 200,000 shares but, since he did not then have sufficient funds to complete the transaction, received an extension of time from the firm to do so. When the stock declined in price shortly after purchase, the customer stopped payment on his check and refused to complete the transaction, resulting in a loss in his account when the firm sold out the position. His claim that the stock had been "misrepresented" to him was rejected by the firm after investigation, and he took no further steps concerning it.

The customer was notified of the expungement hearing but did not appear or offer any evidence in opposition.

3. Claimant's request for expungement of Occurrence Number 1599420 from his CRD records is denied.
4. Any and all claims for relief not specifically addressed herein is denied.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	= \$ 50.00
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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 National Securities Corporation is assessed the following:

Member Surcharge	= \$ 150.00
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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, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$50.00
Pre-hearing conference: August 31, 2018	1 session
One (1) hearing session on expungement request @ \$50.00/session	= \$50.00
Hearing Date: December 19, 2018	1 session
<hr/>	
Total Hearing Session Fees	= \$100.00

The Arbitrator assessed the \$100.00 hearing session fees to the Claimant.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATOR

Robert E. Anderson

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature

Handwritten signature of Robert E. Anderson in black ink, consisting of stylized initials and a long horizontal stroke.

Robert E. Anderson
Sole Public Arbitrator

1/24/19

Signature Date

January 25, 2019

Date of Service (For FINRA Office of Dispute Resolution office use only)