

**Expungement Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant

Christopher Michael Murray

Case Number: 24-02392

vs.

Respondent

Principal Securities, Inc.

Hearing Site: San Francisco, California

Awards are rendered by independent arbitrators who are appointed pursuant to Rule 13806 of the Code of Arbitration Procedure (“Code”) 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

The expungement hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Christopher Michael Murray (“Claimant”): Peter Lindholm, Esq., HLBS Law, Broomfield, Colorado.

For Respondent Principal Securities, Inc. (“Respondent”): Luis F. Inarra Rojas, Esq., Maynard Nexsen P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: November 6, 2024.

Claimant signed the Submission Agreement: November 12, 2024.

Statement of Answer filed by Respondent on or about: January 3, 2025.

Respondent signed the Submission Agreement: January 7, 2025.

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, Respondent did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant (CRD Number 2037323) requested:

1. Expungement of Occurrence Number 1253712 from his CRD records, pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Number 1253712 from his CRD records, pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. Deletion of all Disclosure Reporting Pages accompanying Occurrence Number 1253712; and
4. Any and all other relief that the Panel deems just and equitable.

In the Statement of Answer, Respondent did not set forth a specific relief request.

OTHER ISSUES CONSIDERED AND DECIDED

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

On November 18, 2024, Claimant advised that the customer in Occurrence Number 1253712 ("Customer") was served with a copy of the Statement of Claim within 10 days of filing the Statement of Claim and provided proof of service.

On January 13, 2025, Claimant advised that the Customer was served with a copy of the Statement of Answer within 10 days of its filing and provided proof of service.

On March 1, 2025, the authorized representative of the state securities regulator for California filed a Motion to Dismiss pursuant to Rule 13206 of the Code ("Motion to Dismiss"). On April 29, 2025, Claimant filed a motion alleging the Motion to Dismiss improper because the state securities regulator for California lacks standing to bring procedural motions ("Motion to Strike"). On May 15, 2025, the state securities regulator for California filed a response opposing the Motion to Strike. On May 19, the Panel heard oral arguments on the Motion to Dismiss and Motion to Strike. The Panel hereby grants the Motion to Dismiss and denies the Motion to Strike on the following grounds:

The Customer complaint identified in Occurrence Number 1253712 was settled and became final on August 1, 2005. Claimant filed an expungement request more than 19 years later. Claimant's request for straight-in expungement is untimely under FINRA Rule 13206(a), titled "Time Limitation on Submission of Claims," which states: "No claim shall be eligible for submission to arbitration where six years have elapsed from the occurrence or event giving rise to the claim." Claimant's request is also untimely under Rule 13805(a)(2)(B)(ii), which provides that straight-in expungement claims filed after October 16, 2023 remain subject to the six-year eligibility requirement of Rule 13206(a). FINRA Regulatory Notice 23-12 and FINRA's published guidance, "Frequently Asked Questions [FAQ] About Expungement of Customer Dispute Information Under Rules 12800, 12805 and 13805" provide guidance for revised Rule 13805. Question No. 24 asks: "does the six-year eligibility requirement of Rule 13206(a) apply to straight-in requests?" The FAQ provides the following response: "Yes. The six-year eligibility rule

applies to all arbitration claims, including straight-in requests . . . [and] the issue of eligibility may be raised in a motion by the parties or sua sponte by the panel.”

Claimant’s motion arguing that that the state securities regulator for California, California Department of Financial Protection and Innovation (“California DFPI”), is barred from filing a “procedural” motion to dismiss on eligibility grounds is also denied by the Panel. Rule 13805(b)(3)(i)-(iii) provides that state securities regulators are allowed to participate in expungement pre-hearing conferences. Also, state securities regulators, such as the California DPFI, have legal standing to make procedural and merits-based motions in straight-in expungement cases, as they have protectable property rights in CRD records and their proper maintenance at issue in expungement hearings. FINRA is required under federal statute to maintain a database of disciplinary actions and it does so through its CRD, portions of which are made available to the public. Pursuant to written agreement between FINRA and the North America Securities Administration Association, the CRD records are the joint property of FINRA and state securities regulators, such as the California DFPI, which rely on the proper maintenance of the CRD rather than maintain their own records system.

AWARD

After considering the pleadings, the testimony and evidence presented at the May 19, 2025 recorded pre-hearing conference, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant’s claims are dismissed pursuant to Rule 13206 of the Code.
2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the 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
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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 a party, Respondent is assessed the following:

Member Surcharge	= \$ 2,000.00
Member Process Fee	= \$ 3,850.00

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 Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) pre-hearing sessions with the Panel @ \$1,150.00/session	= \$	3,450.00
Pre-Hearing Conferences: March 5, 2025	1 session	
May 7, 2025	1 session	
May 19, 2025	1 session	

Total Hearing Session Fees	= \$	3,450.00
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The Panel has waived \$1,150.00 of the hearing session fees.

The Panel has assessed \$2,300.00 of the hearing session fees to Claimant.

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

ARBITRATION PANEL

Allan N. Taffet	-	Public Arbitrator, Presiding Chairperson
Leo G. Stern	-	Public Arbitrator
Ronald Chun	-	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

Allan N. Taffet

Allan N. Taffet
Public Arbitrator, Presiding Chairperson

05/23/2025

Signature Date

Leo G. Stern

Leo G. Stern
Public Arbitrator

05/24/2025

Signature Date

Ronald Chun

Ronald Chun
Public Arbitrator

05/23/2025

Signature Date

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May 27, 2025

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