

**Expungement Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant
Yvan Huu Cao

Case Number: 24-02417

vs.

Respondent
Edward Jones

Hearing Site: Los Angeles, 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 partially by videoconference.

REPRESENTATION OF PARTIES

For Claimant Yvan Huu Cao (“Claimant”): Peter Lindholm, Esq., HLBS Law, Broomfield, Colorado, counsel of record from November 11, 2024 until June 11, 2025; Elizabeth Fellmeth, Esq. and Lynn M. Dean, Esq., Freeman Mathis & Gary, LLP, Seal Beach, California, who substituted in as counsel of record on June 19, 2025.

For Respondent Edward Jones (“Respondent”): Eric A. Michaels, Esq., SARETSKY HART MICHAELS + GOULD, Birmingham, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: November 11, 2024.
Claimant signed the Submission Agreement: November 11, 2024.

Statement of Answer filed by Respondent on or about: December 18, 2024.
Respondent signed the Submission Agreement: December 19, 2024.

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 took no position on Claimant's expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant (CRD Number 4638428) requested:

1. Expungement of Occurrence Number 1476490, 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 1476490, 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 1476490; 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 and the state securities regulator for California.

On November 19, 2024, Claimant advised that the customer in Occurrence Number 1476490 (“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 December 30, 2024, Claimant advised that the Customer was served with a copy of the Statement of Answer, although not within 10 days of filing the Statement of Answer, and provided proof of service.

On March 19, 2025, the authorized representative of the state securities regulator for California filed a motion to dismiss (“Motion to Dismiss”) pursuant to Rule 13206 of the Code. On April 10, Claimant filed a response opposing the Motion to Dismiss. On April 11, 2025, the authorized representative of the state securities regulator for California filed a motion strike Claimant’s response to the Motion to Dismiss on the basis that the response was not timely filed (“Motion to Strike”). On April 14, 2025, the Chairperson issued an order on behalf of the Panel denying the Motion to Strike. On April 17, 2025, the authorized representative of the state securities regulator for California submitted a reply in support of its Motion to Dismiss. On April 21, 2025, the Panel heard oral arguments on the Motion to Dismiss. On the same day, the Panel issued an order deferring a decision on the Motion to Dismiss until the conclusion of the expungement hearing.

The Panel conducted recorded, in-person hearing on June 26, 2025 and recorded hearing by videoconference on September 26, 2025, so the parties could present oral argument and evidence on Claimant’s request for expungement. Claimant appeared in person at the expungement hearing on June 26, 2025 and by videoconference at the expungement hearing on September 26, 2025. Respondent appeared at the expungement hearings and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customer appeared at the June 26, 2025 expungement hearing by videoconference and supported the expungement request.

The authorized representative of the state securities regulator for California also appeared at the June 26, 2025 expungement hearing by videoconference and at the September 26, 2025 expungement hearing by videoconference, and opposed the expungement request.

The Panel has provided an explanation of the decision in this award. The explanation is for the parties' information only and is not precedential in nature.

FINDINGS

The Request for Expungement

Claimant has been a financial professional for over 22 years. With one exception, his registration is unblemished. The single exception is a complaint in the amount of \$5,000 made more than fifteen years ago, early in his career. Two months after complaining, the Customer resolved the matter with Claimant's employer. Tellingly, the Customer continued his business relationship with Claimant from the time the complaint was reported to the CRD to the date of the hearing.

By filing the instant Statement of Claim and pursuant to FINRA Rule 2080, Claimant seeks to expunge this minor incident, which long ago was concluded to the Customer's satisfaction, from the records maintained by the CRD and BrokerCheck.

Eligibility Rule

Rule 13206 of the Code states: "no claim shall be eligible for submission to arbitration under the Code where six years have elapsed from the occurrence or event giving rise to the claim." Occurrence Number 1476490 was filed with the CRD on August 19, 2009.

Claimant's Statement of Claim was filed with FINRA on November 11, 2024.

Over fifteen years separate these two events.

The state securities regulator for California, the California Department of Financial Protection and Innovation, appeared as an interested party in this arbitration. It opposed Claimant's request for expungement. The state securities regulator for California sees the date of filing with the CRD as the operative "occurrence or event." It argues that Rule 13206 makes this claim ineligible for arbitration as the claim here was made considerably beyond the six-year rule cut-off.

Claimant's prior and current counsel disagree. They view the proper "occurrence or event" as the date the CRD report is published. CRD reports are published daily. Thus, they argue, the eligibility count-down is reset to zero every day. If correct, Claimant's counsel's view would render Rule 13206 eligibility a nullity in expungement cases.

We hold that the date Occurrence Number 1476490 was filed with the CRD is the "occurrence or event" giving rise to the claim. The instant claim was filed more than six years after the complaint sought to be expunged was reported to the CRD. Indeed, it was made more than fifteen years after the CRD report. It cannot be considered.

The record retention requirements applicable to all broker-dealers are a key reason Rule 13206 was proposed and approved by the Securities and Exchange Commission. Tellingly, neither

Claimant, the Customer, nor Claimant's former employer presented account statements, confirmations, other documents, or specific testimonial recollections of the securities about which the Customer complained. The consequence of the passage of time was that records, which could have aided Claimant's request, were no longer required to be maintained by the broker-dealer and had been discarded. Additionally, neither the firm, nor the Customer had any records or testimonial recollection of the circumstances of the settlement which was made with the Customer. These records and testimony could have also been helpful to Claimant had his request been timely filed.

Both Claimant's prior and current counsel ask the Panel to follow the outcome of awards of FINRA panels which, without explanation, have granted expungement requests made more than six years after reports were filed with the CRD. The state securities regulator for California asks us to follow the awards of panels which have found claims made more than six years from the CRD report ineligible for FINRA arbitration.

Both arguments fail.

Prior awards are not precedential.

We see no ambiguity in Rule 13206 as it applies to requests for expungement.

Still, the inconsistencies of prior panels have led to confusion in the application of Rule 13206 to these claims.

We request FINRA Dispute Resolution Services ("DRS") forward our Award to the appropriate rule making authorities with our request to better define "the occurrence or event" which starts the count-down clock under Rule 13206 in requests for expungement. Without clarification, individuals subject to FINRA's Rules and tribunals convened to adjudicate disputes under its Rules will continue to struggle with inconsistent behavioral guidance and inconsistent outcomes applying what on its face would appear to be a straightforward limitation of time for eligibility to the FINRA arbitral forum.

Conduct of Prior Counsel

The hearing of this matter was originally to be held by videoconference. Two witnesses were identified to testify in support of the expungement request: Claimant and the Customer. Indeed, the Customer remained a customer from the time of the complaint was reported to the CRD to the date of the hearing. Because more than fifteen years had passed since the events reported to the CRD, the Panel determined that observing Claimant and the Customer in-person would be preferable to seeing only what a video camera would project on each arbitrator's laptop screen. A pre-hearing conference to discuss the hearing format and other matters was held April 21, 2025. Claimant's prior counsel and Claimant participated in the pre-hearing conference. After discussion with all present, in-person was agreed. Claimant and his prior counsel confirmed their availability and the availability of the Customer and stated they would be present at FINRA's Los Angeles offices for the June 26, 2025 hearing.

Counsel for Respondent neither supported nor opposed expungement. Counsel for the state securities regulator for California stated they were under travel restrictions due to the department's budget. Both requested to appear remotely. Their requests were unopposed by Claimant's counsel and were granted.

Our pre-hearing Order follows:

“An in-person hearing will be held Thursday, June 26, 2025, at 10:00 am at FINRA, 300 South Grand Avenue, Los Angeles, California. All witnesses, including, but not limited to, claimant and claimant's customer; counsel for claimant; and the panel will participate in person. The request of counsel for respondent to participate remotely is granted. The request of the California Department of Financial Protection and Innovation to participate remotely due to travel budget restrictions is granted. Ruling on the submission of the California Department of Financial Protection and Innovation is deferred until the conclusion of the hearing.”

On April 28, 2025, Claimant's prior counsel filed the following correspondence with FINRA DRS:

“In regards to the hearing scheduled June 26, 2025 at 10:00 AM PST for the above referenced matter, our office would like to confirm if the Representative for Claimant, Peter Lindholm, needs to be present in person or only Claimant, Yvan Cao, as the other counsel will be present through videoconference.”

On May 2, 2025 the panel issued the following order:

“The panel confirms that a Representative for Claimant must attend the hearing of this matter in person. At the pre-hearing conference April 21, 2025, claimant's counsel stated he is available and will attend. Please note we do not require the personal attendance of Mr. Lindholm specifically. If he is unavailable, other counsel from HLBS Law may appear. The request for expungement requires the panel's determination of disputed factual issues. In person participation of all witnesses and counsel is essential. The California Securities regulator stated it wanted to appear in person but could not because of travel restrictions. Its counsel's request to participate remotely was granted. Respondent firm neither supports nor opposes claimant's request for expungement. Its counsel's request to participate remotely was also granted. So Ordered.”

On June 3, 2025 the following correspondence on HLBS Law letterhead was posted on the FINRA DR Portal:

“Please be advised that Claimant is unavailable to attend the scheduled expungement hearing set for June 26, 2025 at 9:00 AM PST. Thank you for your time, attention, and cooperation on this matter.” /s/ Peter Lindholm, Esq. Of Counsel HLBS Law

The panel saw prior counsel's letter as unusual as Claimant attended both the Initial Pre-hearing Conference and the pre-hearing conference on pending motions at which oral argument was heard. Indeed, Claimant actively participated in both conferences, adding his own comments to statements by counsel. Despite counsel's advice that Claimant was unavailable to participate in his expungement hearing, the Panel issued the following Order reaffirming the hearing date, which had been agreed more than four months earlier:

“On May 21, 2025, claimant's counsel submitted the attached communication to FINRA DR. The document was titled, “2025-05-21 Request to Reschedule Hearing (Y Cao).” While the

content of the document does not contain a request to reschedule, FINRA has processed the document per the title provided by Claimant's counsel as a request to postpone the June 26, 2025, hearing in this matter. The entire text of the communication follows: "Please be advised that Claimant is unavailable to attend the scheduled expungement hearing set for June 26, 2025, at 9:00 AM PST." The panel has carefully considered counsel's request. Counsel's request is denied. The hearing in this matter will be held as scheduled June 26, 2025, at 9:00 am at FINRA's offices in Los Angeles. In denying counsel's request the panel has considered, among other things: The hearing in this matter was scheduled at the IPHC in this matter held February 8, 2025. The date was not imposed by the panel. It was selected by the participants at the IPHC, with the concurrence and vocal participation of claimant's counsel. On April 21, 2025, an additional pre-hearing conference was held. At that time, the parties agreed that the hearing will be held in person rather than virtually. Claimant's counsel approved the in person hearing and reconfirmed the date. Since then, each panel member has arranged her/his calendar to be present in Los Angeles on June 26, 2025. It should be noted that the Los Angeles situs was requested by claimant as it is the FINRA hearing facility closest to claimant's residence and place of business. To attend the hearing one panel member will have to travel from Texas; another from New York. Because of other commitments, the panel will not be available again until late 2025 or early 2026. In response to the panel's request for a list of witnesses claimant intends to call, counsel for claimant has told the panel that claimant's former and current customer, [name omitted], will be presented as a witness at the hearing. The panel will hear [name omitted]'s testimony and will consider any other evidence counsel wishes to submit at the hearing June 26. If the claimant becomes available, he, too, will be heard. The panel has deferred consideration of motions before it. Consideration of these motions will not be further postponed. FINRA staff is directed to serve a copy of this order."

At 9:00 am June 26, 2025 the Panel was seated for the scheduled in-person expungement hearing at FINRA's Los Angeles offices.

Claimant was present as well, appearing with new counsel.

Before opening the record for expungement, the Panel inquired as to prior counsel's advice that Claimant would not attend the hearing. We stated that the behavior of prior counsel would have no effect on our consideration of the request for expungement or the outcome of Claimant's request. We reaffirm that statement here. Claimant's request for expungement and the outcome expressed in the instant Award are in no way affected by prior counsel's statement that Claimant was unavailable. We have carefully considered Claimant's request for expungement on the merits and reach our decision only on the merits of his request and the submissions in the record.

Following are relevant excerpts from the audio record of the June 26 hearing. The entire record relating to prior counsel is at 2:29 – 5:00.

Chair [to Claimant]: "When was your first knowledge that the panel was going to be advised you were not going to be here?"

Claimant: "When I saw the letter, sir." [Claimant first saw the letter when it was posted on the FINRA DR Portal.]

Chair: "Did you have any conversations with your [prior] counsel or other communication ... advising counsel that you were unavailable to come here?"

Claimant: "No, sir. ... I never told him to do this."

Prior counsel's letter to the Panel that his client was unavailable to attend the scheduled expungement hearing was false.

To put it bluntly: we were lied to.

All dispute resolution programs, including the FINRA DRS forum, rest upon bedrock foundations of truth and honesty. Truth in the evidence. Truth in statements by counsel. Truth and honesty throughout the proceedings.

We will not comment on possible claims Claimant may have against prior counsel.

Prior counsel's misconduct cannot, however, be ignored or escape further examination.

Consequently, we issue the following directives to FINRA DRS:

1. FINRA DRS is requested to forward this Award and the record of this proceeding to the licensing authorities of HLBS Law and Peter Lindholm, Esq.
2. FINRA DRS is requested to forward this Award and the record of this proceeding to the State Bar of California Office of Special Admissions/Specialization and any other authority which reviews and authorizes the practice of law within the State of California by out of state law firms and counsel.
3. FINRA DRS is requested to consider the conduct in this proceeding in approving or disapproving the participation of HLBS Law and Peter Lindholm, Esq. in future FINRA proceedings within the State of California. (See: The State Bar of California Office of Special Admissions/Specialization OSAAC Certificate 2008-3. Arbitrators' Exhibit 1)

AWARD

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

1. Claimant's request for expungement of Occurrence Number 1476490 from registration records maintained by the CRD is denied with prejudice. The Panel's decision is unanimous.
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
--------------------------	---------------

**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:

Two (2) pre-hearing sessions with the Panel @ \$1,150.00/session	= \$	2,300.00
Pre-Hearing Conferences: February 5, 2025	1 session	
April 21, 2025	1 session	

Two (2) hearing sessions on expungement request @ \$1,150.00/session	= \$	2,300.00
Hearings: June 26, 2025	1 session	
September 26, 2025	1 session	

Total Hearing Session Fees	= \$	4,600.00
----------------------------	------	----------

The Panel has assessed the total hearing session fees to Claimant.

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

ARBITRATION PANEL

Roger M. Deitz	-	Public Arbitrator, Presiding Chairperson
Randy R. Maher	-	Public Arbitrator
Donna Ross Philip	-	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

Roger M. Deitz

Roger M. Deitz
Public Arbitrator, Presiding Chairperson

03/01/2026

Signature Date

Randy R. Maher

Randy R. Maher
Public Arbitrator

03/01/2026

Signature Date

Donna Ross Philip

Donna Ross Philip
Public Arbitrator

03/01/2026

Signature Date

Awards are rendered by independent arbitrators who 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 02, 2026

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