

**Expungement Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant
Steven Wallace Schmitt

Case Number: 25-01317

vs.

Respondent
Morgan Stanley Smith Barney LLC

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 by videoconference.

REPRESENTATION OF PARTIES

For Claimant Steven Wallace Schmitt (“Claimant”): Matthew C. Plant, Esq., Lax, Neville & Intelisano, LLP, New York City, New York.

For Respondent Morgan Stanley Smith Barney LLC (“Respondent”): Jeremy S. Winer, Esq., Morgan Stanley Smith Barney LLC, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: June 25, 2025.
Claimant signed the Submission Agreement: June 24, 2025.

Statement of Answer filed by Respondent on or about: August 29, 2025
Respondent signed the Submission Agreement: August 28, 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 took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant (CRD Number 4486457) requested expungement of all references to Occurrence Number 2314098 from the CRD pursuant to FINRA Rule 2080 and FINRA Code of Arbitration Rule 13805, on the basis that the allegations are clearly erroneous (as provided in Rules 2080(b)(1)(A) and 13805(c)(9)(A)(i)) and the claims and allegations against him are false (as provided in Rules 2080(b)(1)(C) and 13805(c)(9)(A)(i)(c)).

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 October 14, 2025, Claimant advised that the customer in Occurrence Number 2314098 ("Customer") was served with a copy of the Statement of Claim, although not within 10 days of filing the Statement of Claim, and provided proof of service.

On October 14, 2025, 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 October 17, 2025, the authorized representative of the state securities regulator for California submitted a written statement.

The Panel conducted a recorded hearing by videoconference on April 8, 2026, so the parties could present oral argument and evidence on Claimant's request for expungement. Claimant appeared by videoconference at the expungement hearing. Respondent appeared at the expungement hearing.

The Customer did not appear at the expungement hearing.

The authorized representative of the state securities regulator for California did not appear at the expungement hearing. On July 28, 2025, the authorized representative of the state securities regulator for California submitted a written statement with their intent to appear at the expungement hearing.

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 2314098 from registration records maintained by the CRD is denied with prejudice. Pursuant to Rule 13805 of the Code, the Panel's decision to issue an award containing relief for expungement of customer dispute information must be unanimous. Arbitrator Edward R. Niederriter found that one or

more of the grounds for expungement in Rule 13805 of the Code were established. Arbitrators Michael L. Lyons and Dora M. Lassinger did not make such a finding.

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 = \$ 2,000.00

**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 = \$ 2,600.00

Member Process Fee = \$ 5,005.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

November 19, 2026, postponement requested by Claimant = \$ 1,725.00

Total Postponement Fees = \$ 1,725.00

The Panel has assessed the total postponement fees to Claimant.

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

November 19, 2025, cancellation requested by Claimant = \$ 1,800.00

Total Last-Minute Cancellation Fees = \$ 1,800.00

The Panel has assessed the total last-minute cancellation fees to Claimant.

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 @ \$1,725.00/session = \$ 3,450.00

Pre-Hearing Conferences: October 14, 2025 1 session

	March 6, 2026	1 session		
One (1) hearing session on expungement request @ \$1,725.00/session			= \$	1,725.00
Hearing:	April 8, 2026	1 session		
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Total Hearing Session Fees			= \$	5,175.00

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

Michael L. Lyons	-	Public Arbitrator, Presiding Chairperson
Dora M. Lassinger	-	Public Arbitrator
Edward R. Niederriter	-	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

Michael L. Lyons

Michael L. Lyons
Public Arbitrator, Presiding Chairperson

04/15/2026

Signature Date

Dora M. Lassinger

Dora M. Lassinger
Public Arbitrator

04/15/2026

Signature Date

Edward R. Niederriter

Edward R. Niederriter
Public Arbitrator

04/15/2026

Signature Date

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April 15, 2026

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