

**Expungement Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant
Gary Allen Glockzin

Case Number: 23-03050

vs.

Respondent
Crown Capital Securities, LP

Hearing Site: San Diego, California

Awards are rendered by independent arbitrators who are chosen by the parties 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 via videoconference.

REPRESENTATION OF PARTIES

For Claimant Gary Allen Glockzin: Zachary S. Knoblock, Esq., Winget Spadafora & Schwartzberg, LLP, Miami, Florida.

For Respondent Crown Capital Securities, LP: Jonathan L. French, Esq., Crown Capital Securities, L.P., Orange, California.

CASE INFORMATION

Statement of Claim filed on or about: October 16, 2023.
Claimant signed the Submission Agreement: October 16, 2023.

Statement of Answer filed by Respondent on or about: January 30, 2024.
Respondent signed the Submission Agreement: January 29, 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 did not oppose Claimant’s expungement request made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant (CRD Number 1552636) requested expungement of Occurrence Number 1513198 pursuant to FINRA Rule 2080(b)(1)(A) and 2080(b)(1)(C).

In the Statement of Answer, Respondent requested:

1. An award on the issue of whether to recommend the customer complaint be expunged from Claimant's CRD records in the form required by FINRA Rule 2080; and
2. Costs and fees be assessed against Claimant pursuant to FINRA Rule 13902(a)(4).

OTHER ISSUES CONSIDERED AND DECIDED

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

On February 29, 2024, the authorized representative of the Office of the Attorney General of the State of New York (the state securities regulator for New York), submitted a written statement and opposed the expungement request, unless extraordinary evidence is presented at the expungement hearing. On March 14, 2024, the authorized representative of the California Department of Financial Protection and Innovation (the state securities regulator for California) submitted a written statement and opposed the expungement request, unless extraordinary evidence is presented at the expungement hearing.

The Panel conducted a recorded hearing by videoconference on April 16, 2024, so the parties could present oral argument and evidence on Claimant's request for expungement. Claimant participated by videoconference at the expungement hearing. Respondent did not participate in the expungement hearing.

The customers in Occurrence Number 1513198 (Ms. W and Mr. H, collectively, "Customers") did not participate in the expungement hearing. The authorized representatives of the state securities regulators for New York and California participated in the expungement hearing and opposed the expungement request.

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

The Award in this matter may be executed in counterpart copies.

EXPLAINED DECISION

Background

Occurrence Number 1513198 arose from an arbitration claim filed with FINRA (the "Complaint") by the Customers in 2010 alleging, among other claims, that Claimant made unsuitable investments for them. This claim was denied by Claimant both in his answer to the Complaint and on his BrokerCheck Report®, both of which were entered into evidence. The Complaint was settled in 2011 and Claimant testified that he played no part in negotiation or payment of the settlement.

Claimant filed the instant expungement request with FINRA on October 16, 2023. In sum, Claimant testified at the expungement hearing that:

- He had handled Ms. W and Mr. H's investment portfolio since the late 1990's after Ms. W had inherited a substantial sum from her father;
- He complied with their wishes for a conservative approach with income to support her lifestyle;
- Despite his advice against it, the Customers engaged in a profligate lifestyle, withdrawing approximately \$40,000 per month from their accounts;
- Notwithstanding these substantial withdrawals, Claimant testified that, due to his stewardship of the Customers' account, they still made a profit until the financial crash of 2008, at which point, even though the Customers had a substantial sum left in their account, they terminated their relationship with him.

Claimant did not introduce any documents regarding the Customers' investment objectives, either at the commencement of their relationship or on any subsequent occasion.

The Customers then filed the Complaint. At the time of the Complaint and settlement, the Customers were living in Brooklyn, New York. However, it was unclear whether notice provided to them was sufficient because Claimant's counsel determined after a search that the Customers had, at the time of this expungement request was filed, relocated to New Mexico. The New Mexico address was the address he used for service.

This form of notice was challenged by the state regulators from New York and California. They alleged that the Customers were still residents in Brooklyn, New York and that they should have been served with notice at their Brooklyn address.

Whether or not the correct address was used, there were questions raised about the timing of Claimant's expungement request, as well as the timing of the notice provided to the Customers. The filing of this expungement request on October 16, 2023, occurred approximately 13 years after the consummation of the settlement of the Complaint. Furthermore, the notice provided to the Customers, whether correct or incorrect addresses were used, were sent more than 10 days from the filing of this expungement request.

FINRA Rule 13805(a)(2)(A)(vi) states, in relevant part, that an associated person shall not file an expungement claim requesting expungement of "customer dispute information" if:

- more than two years have elapsed since the investment-related, customer-initiated arbitration... associated with the customer dispute information has closed.

Further, FINRA Rule 13805(a)(2)(B) states that the filing of an expungement request is subject to the strictures of FINRA Rule 13206(a) which precludes the filing of an arbitration claim after more than six years have elapsed from the "occurrence or event giving rise to the claim." Claimant filed this expungement request approximately 13 years after settlement of the Complaint, despite the introduction into evidence of a notice letter sent to him by FINRA on May 24, 2010 that he was eligible to file for expungement, which at that time, he did not elect to do.

Finally, FINRA Rule 13805(b)(1)(A)(i) requires that customers receive notification of an expungement request in or within 10 days of the filing of such request. Here, Claimant failed to adhere to that deadline. He filed the initial expungement request pro se and did not send notification. Notification was sent at a later date by his counsel.

FINDINGS

Claimant's request for expungement is defective in that he has failed to comply with FINRA Rules 13805(a)(2)(A)(vi), 13805(a)(2)(B), 13206(a), and 13805(b)(1)(A)(i), in that:

- He failed to request expungement in a timely manner and comply with applicable FINRA rules in that respect; and
- He failed to notify the Customers within the time period set forth in FINRA Rule 13805(b)(1)(A)(i), irrespective of whether the correct addresses were used for notice.

Therefore, Claimant's request for the expungement of Occurrence Number 1513198 is denied.

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 1513198 from registration records maintained by the CRD is denied.
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 that employed the associated person at the time of the event 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:

One (1) pre-hearing session with the Panel @ \$1,150.00/session	= \$	1,150.00
Pre-Hearing Conference: January 31, 2024	1 session	

One (1) hearing session on expungement request @ \$1,150.00/session	= \$	1,150.00
Hearing: April 16, 2024	1 session	

Total Hearing Session Fees	= \$	2,300.00
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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

Howard N. Gorney	-	Public Arbitrator, Presiding Chairperson
Charles G. Michaels	-	Public Arbitrator
Mary Margaret Bush	-	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

Howard N. Gorney

Howard N. Gorney
Public Arbitrator, Presiding Chairperson

05/03/2024

Signature Date

Charles G. Michaels

Charles G. Michaels
Public Arbitrator

05/02/2024

Signature Date

Mary Margaret Bush

Mary Margaret Bush
Public Arbitrator

05/06/2024

Signature Date

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May 06, 2024

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