

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Patrick S. Matlock

Case Number: 17-02481

vs.

Respondent
Scottrade, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Patrick S. Matlock: Robert W. Pearce, Esq., Robert Wayne Pearce, P.A., Boca Raton, Florida.

For Respondent Scottrade, Inc.: Lawton Graves, Esq., Murphy & Anderson, P.A., Jacksonville, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 18, 2017.
Patrick S. Matlock signed the Submission Agreement: September 6, 2017.

Statement of Answer filed by Respondent on or about: November 13, 2017.
Scottrade, Inc. signed the Submission Agreement: November 28, 2017.

Stipulation Narrowing Issues and Requesting Rescheduling of Final Hearing ("Joint Stipulation") jointly filed by the parties on or about: March 2, 2018.

CASE SUMMARY

Claimant asserted the following causes of action: defamation and libel per se. The causes of action relate to Respondent's Central Registration Depository ("CRD") Form U5 filings in connection with Claimant's termination of employment with Respondent.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: compensatory damages in an amount less than \$50,000.00 exclusive of interest and expenses, including attorneys' fees; and expungement of all references to the reasons for termination from Claimant's CRD records.

In the Statement of Answer, Respondent requested that the Arbitrator deny the Statement of Claim and grant such other and further relief as may be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

In a Joint Stipulation filed on or about March 2, 2018, the parties stipulated to the following: (1) Claimant's requests for an award of compensatory damages, attorneys' fees and costs of any kind against Respondent relating to the alleged defamation and any other claim in the Statement of Claim were withdrawn with prejudice, and (2) Respondent did not oppose Claimant's request for expungement of his form U5 as set forth in the Statement of Claim.

With the Arbitrator's permission, Respondent appeared at the final evidentiary hearing via telephone.

AWARD

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

1. The Arbitrator recommends the expungement of the Reason for Termination and Termination Explanation from Section 3 of the Form U5 and Amended Form U5 filed by Scottrade, Inc. on July 27, 2017, for Claimant Matlock (CRD# 5760255) and maintained by the CRD. The Arbitrator recommends that the Reason for Termination be changed to "Other" and the Termination Explanation be changed to, "Mr. Matlock filed an arbitration claim and an Award was entered finding he was falsely accused of violating firm policy and he was defamed by that false accusation."

In addition, the Arbitrator recommends that the answer to Question 7F(1) on the Amended Form U5 filed on July 27, 2017 be changed from Yes to No and the accompanying Termination Disclosure Reporting Page be deleted in its entirety.

These recommendations are based on the false and defamatory nature of the information. The registration records are not automatically amended to include the changes indicated above. Claimant Matlock must forward a copy of this Award to FINRA's Registration and Disclosure Department for review.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	= \$ 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	= \$ 750.00
Member Process Fee	= \$ 1,750.00

Postponement Fees

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

October 16 – 19, 2018, postponement by Claimant	= \$ 450.00
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Total Postponement Fees	= \$ 450.00
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The Arbitrator has assessed the entire \$450.00 postponement fee to Claimant.

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

One (1) pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: January 19, 2018 1 session	

One (1) hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Hearing Date: May 30, 2018 1 session	

Total Hearing Session Fees	= \$ 900.00
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The Arbitrator has assessed \$450.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$450.00 to the hearing session fees to Respondent.

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

ARBITRATOR

Will Murphy

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Sole 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.

Arbitrator's Signature



Will Murphy
Sole Public Arbitrator



Signature Date

June 13, 2018

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