

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
Cary Cleveland Lucas

Case Number: 18-02959

vs.

Respondent  
Wells Fargo Advisors Financial Network

Hearing Site: Atlanta, Georgia

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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 evidentiary hearing was conducted partially by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Cary Cleveland Lucas (“Claimant”): Craig H. Kuglar, Esq., Law Office of Craig Kuglar, LLC, Atlanta, Georgia.

For Respondent Wells Fargo Advisors Financial Network (“Respondent”): Jeffery D. Rodgers, Jr., Esq., Wells Fargo Clearing Services LLC, St. Louis, Missouri.

**CASE INFORMATION**

Statement of Claim filed on or about: August 22, 2018.  
Claimant signed the Submission Agreement: August 15, 2018.

Statement of Answer filed by Respondent on or about: October 25, 2018.  
Amended Statement of Answer filed on or about: November 13, 2018.  
Respondent signed the Submission Agreement: October 25, 2018.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature; intentional infliction of emotional distress; and denied commissions. The causes of action relate to the termination of Claimant’s employment with Respondent.

Unless specifically admitted in the Statement of Answer and Amended 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:

1. Amendment of his Form U5 by changing the answer to question 7F(1) from “yes” to “no” and thereby eliminating any public disclosure relating to his termination with Respondent;
2. Amendment of his Form U5 to state: “As a result of an internal investigation it was determined that the termination was in fact due to not spending enough time in the Private Bank and for lack of sufficient sales in the Private Bank.”;
3. Damages in the amount of \$250,000.00 for lost earnings;
4. Filing fees and attorneys’ fees related to and incurred from this arbitration action;
5. Damages in the approximate amount between \$150,000.00 and \$175,000.00 for denied commissions; and
6. Punitive damages.

In the Statement of Answer and Amended Statement of Answer, Respondent requested:

1. The Statement of Claim be dismissed in its entirety and with prejudice;
2. Costs and expenses of this arbitration; and
3. Such other and further relief as is just and proper.

At the hearing, Claimant requested \$471,000.00 in compensatory damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

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

### **AWARD**

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

1. Respondent is liable for and shall pay to Claimant the sum of \$175,000.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant the sum of \$300.00 to reimburse Claimant for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.
3. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Claimant Cary Cleveland Lucas’ (CRD Number 2932447) Form U5 filed by Wells Fargo Clearing Services LLC (CRD Number 19616) on February 2, 2016, and maintained by the CRD. The Reason for Termination shall be changed from “Discharged” to “Other.” The Termination Explanation shall be replaced with the following

language: “Mr. Lucas’ employment was terminated due to differences between the parties.” This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The Panel further recommends the expungement of all references to Occurrence Number 1864177 maintained by the CRD for Claimant Cary Cleveland Lucas. Any “Yes” answers should be changed to “No,” as applicable.

The Panel recommends expungement based on the defamatory nature of the information. The above recommendations are made with the understanding that the registration records are not automatically amended. Claimant Cary Cleveland Lucas must forward a copy of this Award to FINRA’s Credentialing, Registration, Education and Disclosure Department for review.

4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and attorneys’ fees, are denied.

### **FEES**

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

#### **Filing Fees**

FINRA Dispute Resolution Services assessed a filing fee\* for each claim:

Initial Claim Filing Fee	= \$	1,425.00
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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	= \$	1,900.00
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Member Process Fee	= \$	3,750.00
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#### **Postponement Fees**

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

November 5-7, 2019, postponement requested by Parties	= \$	1,125.00
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Total Postponement Fees	= \$	1,125.00
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The Panel has assessed the total postponement fees to Claimant.

#### **Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers	= \$	200.00
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with one (1) Arbitrator @ \$200.00/decision

Respondent submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	200.00
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The Panel has assessed the total discovery-related motion fees to Respondent.

**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:

Five (5) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	5,625.00
Pre-Hearing Conferences:		
January 10, 2019	1 session	
December 6, 2019	1 session	
November 19, 2019	1 session	
July 31, 2020	1 session	
January 26, 2021	1 session	
Four (4) hearing sessions @ \$1,125.00/session	= \$	4,500.00
Hearings:		
September 28, 2021	2 sessions	
September 29, 2021	2 sessions	
<hr/> Total Hearing Session Fees	= \$	10,125.00

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

**ARBITRATION PANEL**

William Barker Brown	-	Public Arbitrator, Presiding Chairperson
Michael Ryan Peacock	-	Public Arbitrator
Erin Elizabeth Waddington	-	Non-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**

\_\_\_\_\_  
William Barker Brown  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

***Michael Ryan Peacock***

\_\_\_\_\_  
Michael Ryan Peacock  
Public Arbitrator

**10/08/2021**

\_\_\_\_\_  
Signature Date

***Erin Elizabeth Waddington***

\_\_\_\_\_  
Erin Elizabeth Waddington  
Non-Public Arbitrator

**10/08/2021**

\_\_\_\_\_  
Signature Date

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October 08, 2021

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

**ARBITRATION PANEL**

William Barker Brown	-	Public Arbitrator, Presiding Chairperson
Michael Ryan Peacock	-	Public Arbitrator
Erin Elizabeth Waddington	-	Non-Public Arbitrator

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**Concurring Arbitrators' Signatures**

  
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William Barker Brown  
Public Arbitrator, Presiding Chairperson

  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Michael Ryan Peacock  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Erin Elizabeth Waddington  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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November 5, 2021  
Date of Service (For FINRA Dispute Resolution Services use only)