

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

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In the Matter of the Arbitration Between:

Claimant  
Shannon Heather Cotter

Case Number: 20-01316

vs.

Respondent  
Wells Fargo Clearing Services, LLC

Hearing Site: Charlotte, North Carolina

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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

**REPRESENTATION OF PARTIES**

For Claimant Shannon Heather Cotter: Frances Menzer and Dochter Kennedy, MBA, J.D., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Wells Fargo Clearing Services, LLC: Stephen M. Cox, Esq., Robinson, Bradshaw & Hinson, PA, Charlotte, North Carolina.

**CASE INFORMATION**

Statement of Claim filed on or about: April 27, 2020.

Shannon Heather Cotter signed the Submission Agreement: April 27, 2020.

Statement of Answer filed by Respondent on or about: June 16, 2020.

Wells Fargo Clearing Services, LLC signed the Submission Agreement: June 16, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted a claim seeking expungement of information from registration records maintained by the Central Registration Depository (“CRD”).

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: expungement of the Form U5 amendments, and

those relevant portions of the Form U4, from Claimant's CRD record on the basis that the statement is defamatory in nature, misleading, inaccurate, and/or erroneous; an amendment of the Reason for Termination entry in Section 3 of Claimant's Form U5 to read "Voluntary"; expungement of the Reason for Termination explanation on Claimant's CRD; amendment of the answer to Question 7F(1) of Claimant's Form U5, from a "Yes" response to "No"; deletion of any of the accompanying Termination Disclosure Reporting Pages (DRPs) in their entirety; damages in the amount of \$1.00; and any other relief deemed just and equitable.

In the Statement of Answer, Respondent requested: dismissal of the Statement of Claim in its entirety; costs and expenses in connection with this arbitration; and such other and further relief deemed just and proper.

During the hearing, Claimant withdraw her request for \$1.00 in damages.

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

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

### **AWARD**

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

1. The Arbitrator found that the evidence provided during the hearing demonstrated that the information in Claimant's CRD record is defamatory in nature, thereby portraying Claimant in a negative light. The Arbitrator is satisfied that the information is defamatory in nature and therefore is recommending expungement based on the defamatory nature of the information in the CRD system. This matter does not involve any customer dispute information and the Arbitrator finds that expungement of this information has no meaningful investor protection or regulatory value.
2. The Arbitrator recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Claimant Shannon Heather Cotter's (CRD Number 6708913) Form U5 filed by Respondent Wells Fargo Clearing Services, LLC (CRD Number 19616) on February 12, 2020, and maintained by the CRD. The reason for Termination shall be changed to "Voluntary" and the Termination Explanation should appear blank. This directive shall apply to all references to the Termination Explanation and Reason for Termination.

The Arbitrator further recommends the expungement of all references to Occurrence Number 2061740 maintained by the CRD for Claimant Shannon Heather Cotter (CRD Number 6708913). Any "Yes" answers should be changed to "No," as applicable.

The Arbitrator recommends expungement based on the defamatory nature of the information. The registration records are not automatically amended to include the changes indicated above. Claimant Shannon Heather Cotter must forward a copy of this Award to FINRA's Credentialing, Registration, Education and Disclosure ("CRED") Department for review.

3. Respondent shall change its Associate Profile System to reflect the changes above. In particular:

- In “HR Termination Date”, change Employment Status from “Terminated” to “Resigned”;
- In “HR Termination Reason”, change Reason for Termination from “Dishonesty/Fraud-Falsify Doc” to a blank space;
- In “HR Termination Type”, change from “Involuntary” to “Voluntary”;
- In “Branch /Dept Termination Data”, change:
  - “Reason for Termination” from “Discharge” to “Resign”
  - “Explanation provided by Legal HR or Compliance” to be left blank;
  - “What Department provided the Explanation” to be changed from “Legal” to a blank space;
  - “Who Provided the Explanation” to be changed from a person’s name to a blank space.

4. Any and all claims for relief not specifically addressed herein 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	=\$	50.00
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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	=\$	150.00
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**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, including a pre-hearing conference with the Arbitrator, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Arbitrator @ \$50.00/session	=\$	50.00
Pre-hearing Conference: August 17, 2020		1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing Date: January 7, 2021 1 session		
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Total Hearing Session Fees	= \$	100.00

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

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

**ARBITRATOR**

Michael J. Ahlstrom

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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**

***Michael J. Ahlstrom***

Michael J. Ahlstrom  
Sole Public Arbitrator

**01/17/2021**

Signature Date

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January 18, 2021

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