

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
James David Goodland

Case Number: 20-02622

vs.

Respondents
Cambridge Investment Research, Inc. and
Spire Securities, LLC

Hearing Site: Minneapolis, Minnesota

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. Members

This case was administered under the Special Proceeding option for simplified cases.

REPRESENTATION OF PARTIES

For Claimant James David Goodland (“Claimant”): Brian Luther, Esq., FA Expungement, LLC, Denver, Colorado.

For Respondent Cambridge Investment Research, Inc. (“Cambridge”): Richard H. Kuhlman, Esq. and Jeanette Dennis, Esq., Cambridge Investment Research, Inc., Farfield, Iowa.

For Respondent Spire Securities, LLC (“Spire”) : Max Schatzow, Esq., Stark & Stark, Lawrenceville, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: August 17, 2020.
Claimant signed the Submission Agreement: August 14, 2020.

Statement of Answer filed by Cambridge on or about: September 28, 2020.
Cambridge signed the Submission Agreement: August 20, 2020.

Statement of Answer filed by Spire on or about: August 26, 2020.
Spire did not sign the Submission Agreement.

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, Cambridge denied any allegation of wrongdoing and asserted various affirmative defenses but took no position on Claimant’s expungement request.

In the Statement of Answer, Spire did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1684560 and Occurrence Number 2035696 and an award of compensatory damages in the amount of \$1.00.

In the Statement of Answer, Cambridge requested that the Arbitrator dismiss all claims directed against Cambridge, enter an award in its favor for costs and expenses incurred in defending this action, and award such other relief as the Arbitrator deems appropriate.

In the Statement of Answer, Spire did not request any relief.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

Spire did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (“Code”) and, having answered the claim, is bound by the determination of the Arbitrator on all issues submitted.

On January 5, 2021, Claimant advised that the customers in Occurrence Number 1684560 (“Mr. C”) and Occurrence Number 2035696 (“Ms. B”) (collectively, “Customers”) were served with the Statement of Claim and notice of the date and time of the expungement hearing (collectively, “First Notices” and each a “First Notice”). On January 11, 2021, Claimant filed a copy of the USPS tracking information available online for the First Notice sent to Mr. C. On February 3, 2021, Claimant filed a copy of the USPS tracking information available online for the First Notice sent to Ms. B.

On February 4, 2021, Claimant advised that the Customers were served with additional copies of the Statement of Claim and notice of the date and time of the expungement hearing (“Second Notices”). Claimant also filed copies of the FedEx tracking information available online for the Second Notices.

The Arbitrator conducted a recorded, telephonic hearing on February 5, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Cambridge participated in the expungement hearing and did not oppose the request for expungement.

Spire did not participate in the expungement hearing.

Ms. B participated in the expungement hearing and opposed the expungement request.

Mr. C did not participate in the expungement. The Arbitrator found that Mr. C had notice of the expungement request and hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1684560, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant contributed to the settlement amount. The Arbitrator further noted that Claimant's contribution was mandated by his employer and not indicative of wrongdoing.

In recommending expungement for Occurrence Number 1684560, the Arbitrator relied upon the following documentary or other evidence: the related settlement documentation, Statement of Claim, Claimant's Exhibit 1, Claimant's testimony, and Claimant's BrokerCheck® Report.

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 recommends the expungement of all references to Occurrence Number 1684560 from registration records maintained by the CRD for Claimant James David Goodland (CRD Number 2385266) with the understanding that, pursuant to Notice to Members 04-16, Claimant James David Goodland must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and

The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Mr. C's claim did not name Claimant, and Mr. C informed Claimant that the claim was directed at the broker dealer, following the actions of other customers who had utilized 1031 exchanges. Claimant followed appropriate fiduciary practices in initially selecting the new investment and implementing the exchange. Mr. C raised his complaint long after market downturns were experienced; however, Mr. C did not lose money on the holding because the market ultimately recovered. No evidence was presented reflecting any potential suitability issue prior to or at the time of the exchange, and the investment matched Mr. C's tax-related strategies. The investment performance was consistent with Mr. C's intentions when it was made, offering the desired tax benefits and, as appropriate for a longer term investment like real estate, attaining acceptable performance results over its entire holding cycle. Further, Claimant did not have any supervisory duties related to this particular transaction.

2. Claimant's request for expungement of Occurrence Number 2035696 from his registration records maintained by the CRD is 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	= \$	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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Cambridge and Spire are each assessed the following:

Member Surcharge Fee	= \$	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 @ \$50.00/session	= \$	50.00
Pre-Hearing Conference: December 1, 2020	1 session	
One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: February 5, 2021	1 session	
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

Gregory G. Gocek

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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

Gregory G. Gocek

Gregory G. Gocek
Sole Public Arbitrator

02/11/2021

Signature Date

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February 11, 2021

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