

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Joel Alan Goodhart

Case Number: 20-02711

vs.

Respondent
Parkland Securities, LLC

Hearing Site: Philadelphia, Pennsylvania

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 Joel Alan Goodhart: Dochter Kennedy, J.D., MBA, and Chelsea Masters, Esq., Advisor Law LLC, Westminster, Colorado.

For Respondent Parkland Securities, LLC: Felesha Valdez-Parenti, Esq., Tadjedin, Thomas & Engbloom Law Group LLP, Portland, Oregon.

CASE INFORMATION

Statement of Claim filed on or about: August 20, 2020.

Joel Alan Goodhart signed the Submission Agreement: August 20, 2020.

Statement of Answer filed by Respondent on or about: December 22, 2020.

Parkland Securities, LLC signed the Submission Agreement: October 23, 2020.

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”).

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: expungement of Occurrence Numbers 1769869 and 1863346; compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested an award from the panel on the issue of whether to recommend that the complaints be expunged from Claimant's CRD record in the form required by FINRA Rule 2080; denial of Claimant's request for nominal damages of \$1.00; and an order assessing Respondent's portion of the forum fees against Claimant in accordance with FINRA Rule 13805(d).

At the hearing, Claimant withdrew the 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.

On December 29, 2020, Claimant advised that the customers in Occurrence Numbers 1769869 and 1863346 were served with the Statement of Claim and notice of the date and time of the expungement hearing. On January 5, 2021, Claimant filed an Affidavit confirming that the customers were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on April 22, 2021 and April 23, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing.

The customers for Occurrence Number 1769869 did not participate in the expungement hearing. The Arbitrator found that the customers had notice of the expungement request and hearing.

The customer for Occurrence Number 1863346 participated in the expungement hearing and opposed the expungement request.

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 noted that the disputes related to Occurrence Numbers 1769869 and 1863346 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings; Claimant's testimony; the customer's sons' testimonies; Claimant's BrokerCheck® Report; and the exhibits.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement

hearing, 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 1769869 from registration records maintained by the CRD for Claimant Joel Alan Goodhart (CRD Number 842377) with the understanding that, pursuant to Notice to Members 04-16, Claimant Joel Alan Goodhart 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 of Arbitration Procedure (“Code”), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

The Arbitrator finds, based on the Statement of Claim, the Claimant’s sworn testimony, Respondent’s lack of cross-examination, and no customer testimony despite having notice that the customers were timely invited to participate in the hearing, that this occurrence is based not on any wrongdoing of the Claimant. The customers made allegations that are extremely vague and have no factual basis as presented in this hearing. Therefore, the Arbitrator can only conclude that there is no reasonable basis to find that the allegations have merit, so they are in error. For this reason, the Arbitrator finds the allegation made in Occurrence Number 1769869 are in error, and the Claimant’s request for expungement should be granted pursuant to FINRA Rule 2080.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1863346 from registration records maintained by the CRD for Claimant Joel Alan Goodhart (CRD Number 842377) with the understanding that, pursuant to Notice to Members 04-16, Claimant Joel Alan Goodhart 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 of Arbitration Procedure (“Code”), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

This Occurrence involved and was brought forward by the customer’s representatives, his two adult sons. The Arbitrator finds based on the Statement of Claim, the customer’s

son's sworn testimony, and Respondent's lack of cross-examination, that this occurrence is based not on any wrongdoing of the Claimant with the accusation(s) being in error.

From the four hours of testimony, Claimant who routinely, once a quarter, visited the customer in his home and by his adult son, the customer's family was a very close-knit, loving family. Furthermore, it is clear to the Arbitrator by way of the son's testimony that any funds the parents had which became non-liquid because of an annuity lock-up period would be made up from funds the two brothers owned as they enjoyed very good savings and cash flow. The son testified that he and his brother could pay for the father's total long-term care several times over and not have to change their lifestyle. It was also a fact testified to that the sons were beneficiaries of the annuity once the principal of the annuity died.

It is easy for the Arbitrator to imagine when the father decided to purchase the annuity, the father knew that because the family was so tight and congenial, if the father's liquid assets ever fell short of needs for possible care, funds could easily be used in the short term because eventually, upon the death of the father or the expiration of the lock-up period, the funds in the annuity would be paid to the beneficiary, the two sons, so this cash could equitably be used to pay back a son or sons for what was paid to the nursing home when the father's fund were not liquid.

Accordingly, the existence of a lock-up period was an easily managed situation by using temporarily [in the short -term] cash the sons had available. With the high possibility that these two generations could effortlessly pool their financial assets to arrive at cash to make care a reality if or when the father needed it, the suitability of an annuity with a long lock-up period is satisfactory as the annuity met the parents' investment objectives including the father's risk tolerance.

Beyond dispelling the argument that the Claimant's placing the parents' liquid asset into dedicated assets during the lock-up period would jeopardize the father receiving nursing care, the Arbitrator also determined through testimony the fact that the Claimant was **not** reasonably on notice in 2010 and 2013 that the father was in critical need for nursing care. The one son testified and the other son forcefully stated in his closing argument that it was unconscionable for the Claimant to lock-up the father's otherwise liquid assets given the Claimant visited the father in his home and should have seen a severely incapacitated individual.

The Arbitrator finds the father most likely appeared in reasonable mental capacity. The son's testimony was that his mother battled cancer from 2010 to 2012 and then it metastasized from 2013 until her death on December 25, 2015. The Claimant testified that he saw the mother and father in their home together every 3 months from early July 2010 through the end of 2013. It seems to the Arbitrator that if the father was indeed so incapacitated in 2010-2013, then with the mother being so weakened by chemotherapy, it would be expected that additional help would be needed at home to take care of the father. However, there was no mention by anyone that such in-home nursing help was present in the 2010-2013 timeframe. Therefore, it is reasonably concluded that the father may have outward signs of some physical limitations, including speech, as the Claimant testified, but the father was not at loss to his thoughts and decisions on investing his assets as well as able to independently sign his name as testified by the Claimant to the

annuity contract. There was no cross- examination to call into doubt this fact. Accordingly, the Arbitrator finds again that the Claimant was not acting poorly or wrongfully in selling an annuity contract to the father in either 2010 or 2013.

For these two reasons, the Arbitrator finds the allegations made in Occurrence Number 1863346 are in error, and the Claimant's request for expungement should be granted pursuant to FINRA Rule 2080.

3. 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 = \$ 50.00

**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 Parkland Securities, LLC is assessed the following:

Member Surcharge = \$ 150.00

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 a single Arbitrator @ \$50.00/session = \$ 50.00
Pre-Hearing Conference: December 7, 2020 1 session

Three (3) hearing sessions on expungement request @ \$50.00/session = \$ 150.00
Hearing: April 22, 2021 2 sessions
April 23, 2021 1 session

Total Hearing Session Fees = \$ 200.00

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

Thomas Benjamin Salzer

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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

Thomas Benjamin Salzer

Thomas Benjamin Salzer
Sole Public Arbitrator

05/06/2021

Signature Date

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May 06, 2021

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