

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
David Robert Golson

Case Number: 20-03042

vs.

Respondent
Wells Fargo Clearing Services, LLC

Hearing Site: Birmingham, Alabama

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 David Robert Golson: Sarah K. Yates, Esq., Bressler, Amery & Ross, P.C., Birmingham, Alabama.

For Respondent Wells Fargo Clearing Services, LLC: Geoff Beckham, Esq., Wells Fargo Legal Department, San Francisco, California.

CASE INFORMATION

Statement of Claim filed on or about: September 8, 2020.

David Robert Golson signed the Submission Agreement: September 8, 2020.

Statement of Answer filed by Respondent on or about: October 28, 2020.

Wells Fargo Clearing Services, LLC signed the Submission Agreement: October 28, 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”).

In the Statement of Answer, Respondent took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 305582, 176466, 1189930, and 1195908; and compensatory damages in the amount of \$1.00 from Respondent.

In the Statement of Answer, Respondent requested denial of Claimant's request for \$1.00 in compensatory damages and assessment of all forum fees against Claimant.

At the beginning of 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 February 19, 2021, Claimant advised that the customers in Occurrence Numbers 305582 ("Customer A"), 176466 ("Customer B"), 1189930 ("Customer C"), and 1195908 ("Customer D") were served with the Statement of Claim and notice of the date and time of the expungement hearing. On February 19, 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 March 12, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

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

Customers A, B, and D did not participate in the expungement hearing. The Arbitrator found that Customers A, B, C, and D 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 Numbers 305582 and 176466, considered the amount of payment made to any party to the settlements, and considered other relevant terms and conditions of the settlements. The Arbitrator noted that the settlements were not conditioned on any party to the settlements not opposing the expungement request and that Claimant did not contribute to the settlement amounts.

The Arbitrator noted that the disputes related to Occurrence Numbers 1189930 and 1195908 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 Statement of Claim and its exhibits; Claimant's February 19, 2021 letter providing: Witness List, BrokerCheck Report; Affirmation of Service to Customers; the responses of Customer A and Customer B; Claimant's letters to customers; Affirmation of Claimant's counsel relating to an attempt to secure the settlement agreement of Customer A; the confidential Settlement Agreement of Customer B; Claimant's March 8, 2021 letter: District Court Opinion – Prudential Insurance Sales Practices Class Action; Customer B's Complaint; Customer D's Response to Expungement Hearing; the response of Claimant to the Arbitrator's March 15, 2021 request for additional information; and the NASD 06-00174 arbitration Award.

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:

The Arbitrator recommends the expungement of all references to Occurrence Numbers 305582, 176466, 1189930, and 1195908 from registration records maintained by the CRD for Claimant David Robert Golson (CRD Number 2266707) with the understanding that, pursuant to Notice to Members 04-16, Claimant David Robert Golson 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 false.

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

Occurrence Numbers 305582 and 176466

The alleged deceptive, misleading and fraudulent practices that are included in Customer A’s and Customer B’s claims are the same practices that were the subject of, and resolved by, the global Prudential Insurance Co. of America (“Prudential”) Sales Practices Litigation. Clearly Customer A and Customer B were not happy with Prudential or Claimant. They opted out of the Prudential settlement and filed suit resulting in the disclosures that are on Claimant’s BrokerCheck report. The basis for the settlements between Prudential and Customer A and Customer B concerned deceptive practices of Prudential concerning a life insurance product. The practices alleged in Customer A’s settlement were the same, or similar to those in the Prudential Global settlement. Claimant had no role in the development of the presentations or information that were the basis of the claims against Prudential or Claimant. Customer A’s and Customer B’s claims were about a specific life insurance product—Variable Appreciable Life Insurance. Prudential created the presentation describing the policy and its characteristics. Prudential required its agents to use that script in presenting that life insurance product to customers. At the hearing, Claimant testified that he made his presentations in accordance with Prudential’s suggested script.

In response to the Arbitrator’s written query, Claimant stated that over a period of five and a half years he made between five hundred and one thousand presentations to clients utilizing Prudential’s presentation format.

The Arbitrator found Claimant's sworn testimony and written responses to be credible: Claimant was following a script prepared by Prudential and had very little leeway to deviate from that script.

The claims or allegations against Claimant are false.

Occurrence Number 1189930

In August 2002, Claimant left Morgan Stanley to join Merrill Lynch Pierce Fenner & Smith. On February 2, 2004, one and half years after Claimant left Morgan Stanley, Customer C filed her claim for damages amounting to \$23,000.00 alleging that Claimant had made unauthorized transactions and/or unauthorized trades in her Morgan Stanley account. Upon review, Morgan Stanley denied the allegations and Customer C did not pursue her claim through arbitration.

At the hearing, Customer C, through her spouse, testified that: he spoke with Claimant frequently; that he received the account statements from Morgan Stanley; and that virtually the whole account value was lost in a short amount of time. Customer C did not state that the unauthorized trades were the basis of Customer C's claim.

Seventeen years have elapsed since the claim was filed and, not surprisingly, there is limited evidence available to the Arbitrator through exhibits or other documents to support Customer C's claims or to deny its validity. The Arbitrator took cognizance of the following: Morgan Stanley denied the allegations; Customer C acknowledged receiving their account statements; and he concurred with Claimant's request for expungement. This very limited evidence supports the request for expungement.

Customer C's claim, allegation, or information against Claimant is false. Expungement of Customer C's claim from Claimant's CRD record will have no material effect on investor protection, the integrity of the CRD system or regulatory requirements.

Occurrence Number 1195908

In August 2002, Claimant left Morgan Stanley to join Merrill Lynch Pierce Fenner & Smith. On February 19, 2004, one and a half years after Claimant left Morgan Stanley, Customer D filed his claim for damages estimated to be in excess of \$5,000.00 alleging that Claimant had made unauthorized transactions and/or unauthorized trades in his Morgan Stanley account. Upon review, Morgan Stanley denied the allegations and Customer D did not pursue his claim through arbitration.

Seventeen years have elapsed since the claim was filed. There was no hard evidence presented to the Arbitrator through exhibits or other documents to support the claim or to deny its validity and Customer D did not testify at the hearing. Instead, Claimant submitted an email from Customer D to Claimant's counsel dated March 1, 2021 (in Customer D's Response to Expungement Hearing) in which Customer D wrote inter alia: "Mr. Golson was my agent for some time with Morgan Stanley I invested a small fund and mister Golson managed it on my behalf. All went well into mister Golson left the firm..." and "after many calls and contacts I gave up and moved on and lost everything..."

Claimant testified that Customer D's account was transferred to him from another broker in 1998 or 1999; the account value was \$10,000.00; the client wanted growth stocks; the client called in frequently to discuss his account; and Customer D "...knew exactly what was going on in his account."

The Arbitrator took cognizance of the following: Morgan Stanley denied the allegations and Customer D's statement that "All went well into mister Goldson left the firm..."

This very limited evidence supports the request expungement.

Customer D's claim that Claimant made unauthorized transactions and/or unauthorized trades in his Morgan Stanley account is false.

Expungement of Customer D's allegations from Claimant's CRD record will have no material effect on investor protection, the integrity of the CRD system or regulatory requirements.

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(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

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: January 6, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: March 12, 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

Robert J. Gregory

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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

Robert J. Gregory

Robert J. Gregory
Sole Public Arbitrator

04/08/2021

Signature Date

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April 09, 2021

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