

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

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In the Matter of the Arbitration Between:

Claimant  
Aaron Olson

Case Number: 20-03515

vs.

Respondent  
Wells Fargo Advisors, 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

This case was decided by a majority-public panel.

**REPRESENTATION OF PARTIES**

For Claimant Aaron T. Olson: Christopher C. Cox, Esq. and Thomas J. Momjian, Esq., Coss & Momjian, LLP, Bala Cynwyd, Pennsylvania.

For Respondent Wells Fargo Advisors, LLC: Victor L. Hayslip, Esq., Benjamin B. Coulter, Esq. and Elena Bauer, Esq., Burr & Forman LLP, Birmingham, Alabama.

**CASE INFORMATION**

Statement of Claim filed on or about: October 12, 2020.

Aaron T. Olson signed the Submission Agreement: September 20, 2020.

Statement of Answer and Counterclaim filed by Respondent on or about: December 14, 2020.

Wells Fargo Advisors, LLC signed the Submission Agreement: December 14, 2020.

Amended Statement of Claim filed on or about: December 16, 2020.

Statement of Answer to Amended Statement of Claim filed by Respondent on or about: January 6, 2021.

Reply to Counterclaims filed by Claimant on or about: February 15, 2021.

### **CASE SUMMARY**

In the Statement of Claim, as amended, Claimant asserted the following causes of action: fraudulent inducement; tortious interference with prospective economic advantage; and defamation on the Form U5. The causes of action relate to Claimant's employment and termination of employment with Respondent.

Unless specifically admitted in the Statement of Answer, as amended, Respondent denied the allegations made in the Statement of Claim, as amended, and asserted various affirmative defenses.

In the Counterclaim, Respondent asserted the cause of action of breach of contract relating to Claimant's alleged violation of the fully executed Wells Fargo Agreement Regarding Trade Secrets, Confidential Information, Non-Solicitation, and Assignment of Inventions ("Trade Secrets Agreement") dated February 26, 2019; and sums allegedly due by Claimant to Respondent pursuant to a fully executed promissory note dated March 12, 2019 (the "Note").

Unless specifically admitted in his Reply to Counterclaim, Claimant denied the allegations made in the Counterclaim, and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: compensatory damages of at least \$1,000,000.00; punitive damages of at least \$1,000,000.00; a declaration of non-liability; and such other relief as deemed appropriate by the Panel.

In the Statement of Answer and Counterclaim, Respondent requested: dismissal of all claims against it; judgment in its favor; assessment of all costs against Claimant; compensatory damages on the Note in the amount of \$336,290.37; interest; attorneys' fees; damages for breach of the Trade Secrets Agreement; and all other relief to which it may be entitled.

In the Amended Statement of Claim, Claimant requested compensatory damages of at least \$2,000,000.00; punitive damages of at least \$2,000,000.00; a declaration of non-liability on his promissory note; expungement of the defamatory information on his amended Form U5; attorneys' fees and costs in connection with obtaining expungement of his amended Form U5; and such other relief as deemed appropriate by the Panel.

In the Statement of Answer to Amended Statement of Claim, Respondent reiterated its request contained in its Statement of Answer and Counterclaim.

In Reply to Counterclaim, Claimant requested that the Panel award very substantial damages in his favor and dismiss the Counterclaim in its entirety.

At the hearing, Claimant clarified his compensatory damage request to be in the range of \$250,000.00 to \$750,000.00 based on his fraud claim, and \$250,000.00 to \$1,750,000.00 on his defamation claim. Claimant further clarified his punitive damage request to be \$250,000.00 on his fraud claim and \$250,000.00 on his defamation claim.

At the hearing, Respondent clarified its compensatory damage request to be in the amount of \$367,372.78 plus interest on the Note, and \$200,000.00 to \$300,000.00 on the claim for violation of the Trade Secrets Agreement.

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

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

At the conclusion of Claimant's case-in-chief, Respondent moved for partial dismissal of Claimant's claim; specifically, the assertion that Respondent's amendment to Claimant's Form U5 with regard to Question 7B was defamatory. Claimant opposed the Motion and the Panel deferred consideration of the Motion until the conclusion of the hearing.

On or about December 16, 2020, Claimant filed an Amended Statement of Claim to modify his relief requests, including the addition of a request for expungement of information from his Form U5.

The Panel has provided an explanation of the decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

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

### **AWARD**

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

1. Subject to the setoff provisions of Paragraph 5 below, Respondent is liable for and shall pay to Claimant the total sum of \$1,400,000.00 in compensatory damages comprised of \$700,000.00 on Claimant's fraud claim and \$700,000.00 on Claimant's defamation claim.
2. Respondent is liable for and shall pay to Claimant the total sum of \$400,000.00 in punitive damages under North Carolina General Statutes Section 1D-15, as follows:
  - a. \$200,000.00 on Claimant's fraud claim, based upon intentional omission of highly material information in the recruitment of Claimant which omissions were intended to deceive and did in fact deceive Claimant; and
  - b. \$200,000.00 on Claimant's defamation claim, based upon the vindictive and defamatory nature of Respondent's filing of the amended U5 for Claimant. Specifically, under all of the evidence and reasonable inferences therefrom, the Panel finds and concludes that the actions of at least one management level employee of Wells Fargo Clearing Services, LLC, doing business as Respondent Wells Fargo Advisors (Central Registration Depository ("CRD") Number 19616) ("WFA"), resulted in WFA's filing with FINRA on or about November 18, 2020, an amended U5 (Filing ID: 55173325) for Claimant Aaron T. Olson (CRD Number 5207302) which was vindictively motivated. In the process of filing that amended U5, WFA failed to follow filing requirements outlined in

FINRA’s requirements and guidelines and acted inconsistently with earlier and later more egregious takings of WFA’s highly confidential non-protocol customer information by other terminated financial advisors. The Panel concludes that, under all of the evidence and reasonable inferences therefrom, the filing of and the information in the amended U5 was both vindictive and defamatory in nature causing material and continuing harm to Claimant’s reputation and career as a financial advisor.

3. Respondent is liable for and shall pay to Claimant post-award interest on all compensatory and punitive damages set forth in Paragraphs 1 and 2 above at the rate of 8% under North Carolina law General Statutes Section 24-1. Post-award interest shall begin to accrue 30 days following the service date of this Award if the Award has not been paid in full by that time, and shall cease to accrue when the Award is fully satisfied.
4. Respondent is liable for and shall pay to Claimant the sum of \$600.00 representing reimbursement of the non-refundable portion of the claim filing fee previously paid by Claimant to FINRA Dispute Resolution Services.
5. Claimant is liable for and shall pay to Respondent the sum of \$367,372.78 on the promissory note claim, said amount to be satisfied by setoff. As such, the amount of \$367,372.78 shall be deemed to have been paid to Respondent as of the date of this Award, thereby reducing the amount of compensatory damages Respondent is ordered to pay Claimant from \$1,400,000.00 to \$1,032,627.22, plus interest as specified in Paragraph 3 above.
6. Claimant’s claim of tortious interference with prospective economic advantage is denied.
7. Respondent’s claim for violation of the Trade Secrets Agreement is denied.
8. The Panel recommends the expungement of all references to Occurrence Number 2096571 maintained by the CRD for Claimant Aaron Olson. Any “Yes” answers should be changed to “No” as applicable.
9. The Panel recommends expungement based on the defamatory nature of the information. The registration records are not automatically amended to include the changes indicated above. Claimant Aaron Olson must forward a copy of this Award to FINRA’s Credentialing, Registration, Education and Disclosure (“CRED”) Department for review.
10. Any and all claims for relief not specifically addressed herein, including any requests for treble damages and attorneys’ fees, are denied.

**FEES**

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

**Filing Fees**

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

Initial Claim Filing Fee	= \$ 2,000.00
Counterclaim Filing Fee	= \$ 2,125.00

*\*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	= \$ 3,025.00
Member Process Fee	= \$ 6,175.00

**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:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	= \$ 450.00
Pre-Hearing Conference: December 27, 2021	1 session
Three (3) pre-hearing sessions with the Panel @ \$1,400.00/session	= \$ 4,200.00
Pre-Hearing Conferences: February 5, 2021	1 session
January 14, 2022	1 session
February 8, 2022	1 session
Ten (10) hearing sessions @ \$1,400.00/session	= \$ 14,000.00
Hearings: February 14, 2022	2 sessions
February 15, 2022	3 sessions
February 16, 2022	2 sessions
February 17, 2022	3 sessions

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Total Hearing Session Fees	= \$ 18,650.00
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The Panel has assessed \$2,797.50 of the hearing session fees to Claimant.

The Panel has assessed \$15,852.50 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Richard E. Miley	-	Public Arbitrator, Presiding Chairperson
Frank E. Wolf	-	Public Arbitrator
Helen Elizabeth Hester	-	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**

***Richard E. Miley***

Richard E. Miley  
Public Arbitrator, Presiding Chairperson

**02/28/2022**

Signature Date

***Frank E. Wolf***

Frank E. Wolf  
Public Arbitrator

**02/28/2022**

Signature Date

***Helen Elizabeth Hester***

Helen Elizabeth Hester  
Non-Public Arbitrator

**02/28/2022**

Signature Date

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February 28, 2022

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