

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

William Luther Crull, IV

Case Number: 21-01898

vs.

Respondents

UBS Financial Services, Inc.
A. G. Edwards & Sons, Inc.
FSC Securities Corporation

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Claimant William Luther Crull, IV (“Claimant”): Benjamin Winograd, JD, and Dochter Kennedy, MBA, JD, AdvisorLaw, LLC, Westminster, Colorado.

For Respondent UBS Financial Services, Inc. (“UBS”): John Murphy, Esq., John Murphy & Associates, P.C., New York, New York.

For Respondent A. G. Edwards & Sons, Inc. (“AG Edwards”): Andrew R. Park, Esq., Park Sensenig, LLC, Richmond, Virginia.

For Respondent FSC Securities Corporation (“FSC”): Gregory Curley, Esq., Advisor Group, Inc., Jersey City, New Jersey.

CASE INFORMATION

Statement of Claim filed by Claimant on or about: July 26, 2021.

Claimant signed the Submission Agreement: July 26, 2021.

Statement of Answer filed by Respondent UBS on or about: September 13, 2021.

Respondent UBS signed the Submission Agreement: September 9, 2021.

Statement of Answer filed by Respondent AG Edwards on or about: September 14, 2021.

Respondent AG Edwards signed the Submission Agreement: September 8, 2021.

Statement of Answer filed by Respondent FSC on or about: September 13, 2021.
Respondent FSC signed the Submission Agreement: September 15, 2021.

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 its Statement of Answer, Respondent UBS did not oppose Claimant’s expungement request but objected to any request for damages.

In its Statement of Answer, Respondent AG Edwards did not support or oppose Claimant’s request for expungement and deletion; denied any allegation that it engaged in wrongdoing with regard to Claimant and its handling of the matters involved here; denied any liability to Claimant in any amount pursuant to any legal theory; and objected to any request by Claimant for damages.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 700117, 379143, 1473701, 1498151, 1539660, 1566535, 1651947, and 1773433 from his CRD record, pursuant to FINRA Rules 2080(b)(1)(A) and (C); deletion of all Disclosure Reporting Pages accompanying the occurrences; and any and all other relief that the Arbitrator deems just and equitable.

In its Statement of Answer, Respondent UBS requested that all costs and fees associated with the claim be assessed solely against Claimant.

In its Statement of Answer, Respondent AG Edwards requested that all fees and costs associated with this arbitration be assessed to Claimant, as required by FINRA Rule 13805(d).

In its Statement of Answer, Respondent FSC did not delineate any specific relief requests.

At the hearing, Claimant withdrew the request for expungement of Occurrence Numbers 1473701 and 1498151 without prejudice. Therefore, the Arbitrator made no determination with respect to Occurrence Numbers 1473701 and 1498151.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 24, 2022, Claimant advised that the executor of the estate of the customer in Occurrence Number 700117 (“Customer A”), and the customers in Occurrence Numbers 379143 (“Customer B”), 1473701 (“Customers C1 and C2”), 1498151 (“Customer D”), 1539660 (“Customer E”), 1566535 (“Customers F1, F2, and F3”), 1651947 (“Customer G”), and 1773433

("Customer H"), hereinafter referred to collectively as the "Customers," were served with the Statement of Claim and notice of the date and time of the expungement hearing.

On January 31, 2022, 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. Claimant attested that, pursuant to the LexisNexis database, Customer A is deceased and thus could not be personally served.

On February 2, 2022, Claimant advised that, due to an error by FedEx, Customer C1 was re-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 February 22, 2022, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondents AG Edwards and FSC participated in the expungement hearing and did not oppose the request for expungement.

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

Customer D appeared for the expungement hearing. However, Customer D disconnected from the hearing after Claimant withdrew Occurrence Number 1498151.

Customers A, B, C1, C2, E, F1, F2, F3, G, and H did not participate in the expungement hearing. The Arbitrator made no determination with respect to service of Customers C1 and C2 because Occurrence Number 1473701 was withdrawn. The Arbitrator found that the Customers A, B, E, F1, F2, F3, G, and H 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 700117, 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 did contribute to the settlement amount. The Arbitrator determined that the settlement was made as a business decision by Respondent UBS and that the amount paid by Claimant was nominal.

The Arbitrator also reviewed the settlement documentation related to Occurrence Numbers 379143, 1539660, 1566535, 1651947, and 1773433, 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.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the account opening documents with risk tolerance and client objectives (exhibits 11, 26, 27, 40, and 57).

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 Numbers 700117, 379143, 1539660, 1566535, 1651947, and 1773433 from registration records maintained by the CRD for Claimant William Luther Crull, IV (CRD Number 2013409) with the understanding that, pursuant to Notice to Members 04-16, Claimant William Luther Crull, IV 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 findings of fact, as to all occurrences:

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

The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons, as to all occurrences:

Occurrence Number 700117:

Claimant alleges that the claims asserted by Customer A are false and erroneous. After Customer A passed away, her son alleged that Claimant engaged in excessive and unsuitable securities transactions and unauthorized transactions. Approximately one-third of Customer A's portfolio was invested in Schlumberger Limited common stock ("Schlumberger Stock") when Claimant inherited Customer A's account. Claimant recommended liquidating a portion of the Schlumberger Stock and creating a more diverse portfolio. Claimant recommended common stocks, government bonds, corporate bonds, and mutual funds. Customer A's son oversaw her portfolio but did not have authorization to direct trading or do business in the portfolio. Customer A wanted to manage her own financial affairs, and she made the ultimate decisions with respect to her portfolio. Respondent UBS settled with Customer A as a business decision. For all of these reasons, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customer A's son.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

Occurrence Number 379143:

Claimant alleges that the claim asserted by Customer B is false and erroneous. Customer B alleged that Claimant engaged in unauthorized trading. Claimant and Customer B spoke about stocks on a daily basis. Customer B authorized all trading in his portfolio, and Customer B also gave Claimant verbal authorization to trade in his portfolio on his behalf. In early 1999, Customer B authorized a trade recommended by Claimant, which was effectuated. Customer B was dissatisfied with the performance of the stock, and he alleged unauthorized trading. Claimant did not conduct any unauthorized trading at any time, and no evidence of unauthorized trading was presented by Customer B. For these reasons, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customer B. While Customer B might have been unhappy, there was no wrongdoing on the part of Claimant.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

Occurrence Number 1539660:

Claimant alleges that the claims asserted by Customer E are false and erroneous. Customer E alleged that certain transactions were inappropriate for her. Customer E was the owner of a Montessori school and wanted to eventually retire to her home country of the Netherlands. Claimant recommended diverse investments based on Customer E's investor profile and investment objectives. Customer E purchased common stocks, preferred stocks, and mutual funds through Claimant, who spoke with her regularly about her portfolio. Customer E authorized all trading in her portfolio. After 2008, Customer E's portfolio declined in value, and she spoke with an outside financial advisor, who convinced her that her financial needs were not being met by Claimant. Respondent FSC settled with Customer E. While Customer E might have been unhappy, there was no wrongdoing on the part of Claimant, because Customer E's portfolio declined in response to the financial crisis of 2008. Therefore, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customer E.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

Occurrence Number 1566535:

Claimant alleges that the claims asserted by Customers F1, F2, and F3 are false and erroneous. Customers F1, F2, and F3 filed for FINRA arbitration, alleging unsuitable, unauthorized transactions, and misrepresentation. Claimant assisted Customers F1 and F2 with investing and managing the proceeds of their inheritances from their respective deceased husbands. Both of them had investment objectives of income with growth. Neither Customers F1 nor F2 expressed to Claimant any dissatisfaction with their portfolios, and neither mentioned filing a formal claim.

Customer F1 needed assistance with managing an inheritance from her deceased husband. Her portfolio contained an annuity and cash, and she withdrew monthly income that amounted to approximately seven percent of the portfolio. Claimant advised Customer F1 to

find a part-time job to supplement her income, and she said she would, but she did not. Her portfolio declined substantially as of 2007 because of her withdrawals.

Customer F2 also received an inheritance from her husband. Customer F2's portfolio consisted of stocks and mutual funds in a fee-based account. Customer F2 took withdrawals from her portfolio to fund home improvements. Despite the effects of the Great Recession in 2008, Customer F2's portfolio performed well.

Customer F3 sought better management of his investment portfolio. Claimant's recommendations included mutual funds and bonds. Customer F3 authorized the purchase of the investments. Customer F3 did not express to Claimant any dissatisfaction with his portfolio, and he did not discuss filing a formal claim.

Customers F1, F2, and F3 were all contacted by the attorney of Customers C1 and C2 (Occurrence Number 1473701), who convinced them that Claimant had not acted in their best interests, and they filed jointly for FINRA arbitration. Respondent FSC settled with Customers F1, F2, and F3 as a business decision.

While Customers F1, F2, and F3 might have been unhappy about declines in their portfolios, there was no wrongdoing on the part of Claimant. No evidence of unsuitable, unauthorized trading, or misrepresentation was presented. For all of these reasons, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customers F1, F2, and F3.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

Occurrence Number 1651947:

Claimant alleges that the claims asserted by Customer G are false and erroneous. Customer G alleged that Claimant's investment recommendations were misrepresented and unsuitable for him. Claimant's recommendations included mutual funds and an annuity.

After the financial crash of 2008, Customer G took several sizable withdrawals from his portfolio to support his lifestyle and catering business. Claimant successfully discouraged Customer G from making several further large withdrawals, as the many withdrawals were draining his portfolio. Customer G transferred his portfolio away from Claimant's management without expressing any dissatisfaction with the makeup or performance of the portfolio, and he did not discuss filing a formal claim. Upon information and belief, the attorney of Customers C1 and C2 (Occurrence Number 1473701) also contacted Customer G and convinced him that Claimant had not acted in his best interests. Respondent AG Edwards settled with Customer G. Customer G's dissatisfaction with the decline in value of his annuity was caused by a combination of the effects of the Great Recession and his many sizable withdrawals, rather than by any wrongdoing on Claimant's part. Therefore, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customer G.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

Occurrence Number 1773433:

Claimant alleges that the claims asserted by Customer H are false and erroneous. Customer H alleged that Claimant made unsuitable recommendations. Customer H owned a successful real estate development business and was involved with a number of real estate deals. Claimant's recommendations included mutual funds and an annuity that matched Customer H's investor profile and investment objectives. Customer H purchased the annuity and signed disclosure documents affirming his understanding of the terms and risks of the annuity. After the Great Recession, several of Customer H's real estate deals fell through, and he took sizable withdrawals from his portfolio, against the advice of Claimant. In 2009, Customer H depleted his portfolio entirely and stopped being a client of Claimant. In April of 2015, Customer H initiated litigation against Claimant in Tangipahoa Parish, Louisiana. In December of 2016, Customer H filed for FINRA arbitration, and Respondent AG Edwards settled. In October of 2018, the judge in the court case granted Customer H's Ex Parte Motion for Voluntary Dismissal of Claims against Claimant. Claimant had a reasonable basis to believe that the recommended investments were suitable for Customer H. The depletion of Customer H's portfolio was caused by his own many withdrawals from the account. For these reasons, the Arbitrator concluded that Claimant should be granted expungement of the allegations set forth by Customer H.

Claimant has met the burden for expungement under FINRA Rules 2080(b)(1)(A) and (C).

2. 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:

Expungement Filing Fee	= \$	1,600.00
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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 person at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents UBS, FSC and AG Edwards are each assessed the following:

Member Surcharge	= \$	2,000.00
Member Process Fee	= \$	3,850.00

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 @ \$1,150.00/session	= \$	1,150.00
Pre-Hearing Conference: November 16, 2021	1 session	
One (1) hearing session on expungement request @ \$1,150.00/session	= \$	1,150.00
Hearing: February 22, 2022	1 session	
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Total Hearing Session Fees	= \$	2,300.00

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

Brian James Tagtmeier

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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

Brian James Tagtmeier

Brian James Tagtmeier
Sole Public Arbitrator

03/17/2022

Signature Date

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.

March 17, 2022

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