

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Edward Christian Mathews

Case Number: 19-00334

vs.

Respondent
GWFS Equities, Inc.

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Edward Christian Mathews: John A. Mangones, Godbout Law PLLC, Boston, Massachusetts.

For Respondent GWFS Equities, Inc.: Gregory A. Eurich, Esq., and Michael R. Greco, Esq., Miller & Steiert, P.C., Littleton, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: January 29, 2019.
Edward Christian Mathews signed the Submission Agreement: January 29, 2019.

Statement of Answer filed by Respondent on or about: April 8, 2019.
GWFS Equities, Inc. signed the Submission Agreement: March 26, 2019.

CASE SUMMARY

Claimant asserted the following causes of action: expungement of Form U5; defamation; breach of contract; tortious interference with business relationships.

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 an award for unspecified compensatory damages for lost earnings and loss of reputation; expungement of the Form U5; costs and expenses, including forum fees; punitive damages and any other relief that the Panel deems just and proper.

In the Statement of Answer, Respondent requested that Claimant's claims be denied and that Respondent be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 10, 2020, Claimant notified FINRA Office of Dispute Resolution that the parties reached a settlement and that Claimant dismisses with prejudice Count 1 (defamation), Count II (breach of contract) and Count III (tortious interference with business relationships) and that Claimant will proceed with a hearing only on Count IV (expungement of U5).

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

1. The Panel recommends the expungement of the "YES" answer to question 7F (1) of the Form U5 filed by GWFS Equities, Inc. and Advised Assets Group, LLC on October 3, 2018 from registration records for Claimant Edward Christian Matthews III (CRD #6227509) maintained by the Central Registration Depository ("CRD"). The Panel recommends that that the answer be changed to "NO" and the accompanying Disclosure Reporting Pages deleted in their entirety.

The Panel also recommends expungement of the Termination Explanation provided by GWFS Equities, Inc. and Advised Assets Group, LLC in response to Question 3 on the Form U5, and replacement with the following language:

"Mr. Matthews was terminated for errors in following the Firm's information security policy concerning caller verification, as well as instances of noncompliance with internal protocol for providing investment advice. The Firm has received no indication that customers were harmed."

The Reason for Termination shall remain the same.

The above recommendations shall apply to all subsequent disclosures concerning this event including but not limited to expungement of the yes answers to Question 14J (1) on Christian Matthews III two Forms U4 filed by Equity Services, Inc. on January 15, 2019 and maintained by the CRD. The yes answer should be changed to no and the accompanying Disclosure Reporting Pages deleted in their entirety.

The above recommendations are based on the defamatory nature of the information. The registration records are not automatically amended to include the changes indicated above. Claimant Edward Christian Matthews III must forward a copy of this Award to FINRA's Registration and Disclosure Department for review.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 1,575.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

FINRA Office of Dispute Resolution previously deferred the Claimant's Refundable filing fee of \$1,200.00.

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 GWFS Equities, Inc. is assessed the following:

Member Surcharge	= \$ 1,900.00
Member Process Fee	= \$ 3,750.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

January 13, 2020, postponement by parties.	= \$ 1,125.00
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Total Postponements Fees	= \$ 1,125.00
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The Arbitrator has assessed \$562.50 of the postponement fees to Claimant.
The Arbitrator has assessed \$562.50 of the postponement fees to Respondent.

Last Minute Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within ten calendar days before the start of a scheduled hearing session:

January 13, 2020, postponement by Parties	= \$ 1,800.00
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Total Last Minute Cancellation Fees	= \$ 1,800.00
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The Panel has assessed \$900.00 of the last minute cancellation fees to Claimant.
The Panel has assessed \$900.00 of the last minute cancellation fees to Respondent.

Late Pre-hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

December 5, 2019, postponement by Parties = \$300.00

Total Late Pre-hearing Cancellation Fees = \$300.00

The Arbitrator has assessed \$150.00 of the late pre-hearing cancellation fees to Claimant.

The Arbitrator has assessed \$150.00 of the late pre-hearing cancellation fees to Respondent.

Discovery-Related Motion Fee

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers
with one (1) arbitrator @ \$200.00/decision = \$200.00

Respondent submitted one discovery-related motions

Total Discovery-Related Motion Fees = \$200.00

The Panel assessed \$200.00 discovery-related motion fees to the Respondent.

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: May 13, 2019 1 session

One (1) hearing sessions @ \$1,125.00/session = \$1,125.00
Hearing Dates: January 14, 2020 2 sessions

Total Hearing Session Fees = \$2,250.00

The Panel has assessed \$1,125.00 of the hearing session fees to Claimant.

The Panel has assessed \$1,125.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Gerard S. Marsan	-	Public Arbitrator, Presiding Chairperson
Peter J. Dale	-	Public Arbitrator
Robert N. Jones	-	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

Gerard S. Marsan

Gerard S. Marsan
Public Arbitrator, Presiding Chairperson

01/29/2020

Signature Date

Peter J. Dale

Peter J. Dale
Public Arbitrator

01/28/2020

Signature Date

Robert N. Jones

Robert N. Jones
Non-Public Arbitrator

01/28/2020

Signature Date

January 31, 2020

Date of Service (For FINRA Office of Dispute Resolution office use only)