

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015047392002**

TO: Department of Enforcement
Financial Industry Regulatory Authority (“FINRA”)

RE: David G. Gott, Respondent
Former Registered Representative
CRD No. 1915608

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent (“AWC”) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

David G. Gott entered the securities industry in 1988 and, as relevant here, was registered with Ausdal Financial Partners, Inc. (“Ausdal”) from November 2012 until October 16, 2015, when the firm filed a Form U5 terminating his registrations with the firm following his resignation from the firm to focus on his ice cream business, as described more fully below. On November 24, 2015, Ausdal filed an amended Form U5 in which the firm reported that it had “determined that Mr. Gott did not give proper notification to the firm of investors who invested in his [outside business activity].”

Gott has not been associated with a FINRA member firm since leaving Ausdal. Although Gott is not currently associated with a FINRA member firm, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4(a) of FINRA’s By-Laws of the Corporation.

OVERVIEW

Between November 2014 and July 2015, Gott sold to four individuals at least \$546,000 in private equity and debt investments in his disclosed outside business activity. Gott did not provide his member firm with written notice prior to participating in the private investments in violation of NASD Rule 3040 and FINRA Rule 2010.¹

FACTS AND VIOLATIVE CONDUCT

In 2013, Gott founded Gott Ice Cream? LLC (“GIC”) to manufacture and distribute premium frozen custard under the brand name “David’s Famous.” In November 2012, upon joining Ausdal, Gott requested and received written permission by the firm to engage in GIC as an outside business activity.² However, between November 2014 and July 2015, without providing written notice to Ausdal, Gott obtained at least \$546,000 in financing for GIC in the form of private equity and debt investments that Gott sold to four individuals. Gott did not receive selling compensation for arranging these investments, but his company, GIC, benefited from them.

At all relevant times, Ausdal’s policies and procedures regarding private securities transactions prohibited its registered representatives from engaging in such transactions “without the prior express written permission of [Ausdal],” and further required “[a]ssociated persons to provide written notice of their intention to participate in any private securities transaction before commencing such participation.”

NASD Rule 3040 prohibited associated persons from participating in any manner in a private securities transaction unless, prior to participating in the transaction, the associated person provided written notice to his member firm describing in detail the proposed transaction, his proposed role therein, and stating whether he had received or may receive selling compensation in connection with the transaction.

By selling four individuals a total of \$546,000 in private securities investments in GIC without providing Ausdal with prior written notice, Gott violated NASD Rule 3040. By virtue of that violation, Gott also violated FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

- A six-month suspension in all capacities; and
- A \$5,000 fine.

¹ The rule was superseded by FINRA Rule 3280 on September 21, 2015. Since the private securities transactions at issue here occurred prior to September 21, 2015, NASD Rule 3040 applies.

² Gott also asked his supervisor whether Ausdal would consider assisting GIC in raising capital. However, Ausdal did not thereafter participate in any capital raise on behalf of GIC.

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms

and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a

full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

06-14-2017
Date (mm/dd/yyyy)



David G. Gott
Respondent

Reviewed by:

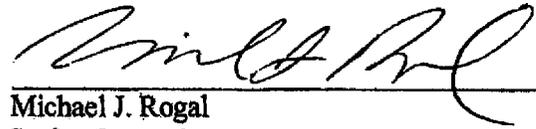
A handwritten signature in black ink that reads "Thomas H. Walton". The signature is written in a cursive style and is positioned above a horizontal line.

Thomas H. Walton, Esq.
Counsel for Respondent
Myemaster Goode, PC
700 Walnut, Suite 1600
Des Moines, Iowa 50309-3899
515.283.8003

Accepted by FINRA:

7/12/17
Date

Signed on behalf of the
Director of ODA, by delegated authority



Michael J. Rogal
Senior Counsel
FINRA Department of Enforcement
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