

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Joseph Edgar Mackey

Case Number: 20-03225

vs.

Respondents
Cambridge Investment Research, Inc. and
MKD Wealth Coaches, LLC

Hearing Site: Detroit, Michigan

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 and Non-Member

REPRESENTATION OF PARTIES

For Claimant Joseph Edgar Mackey (“Claimant”): Sarah K. Yates, Esq., Bressler, Amery & Ross, P.C., Birmingham, Alabama.

For Respondent Cambridge Investment Research, Inc. (“Cambridge”): Richard H. Kuhlman, Esq., Cambridge Investment Research, Inc., Fairfield, Iowa.

For Respondent MKD Wealth Coaches, LLC (“MKD”): Tim Mrock, CCO, MKD Wealth Coaches, LLC, Troy, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: September 11, 2020.
Claimant signed the Submission Agreement: September 11, 2020.

Stipulation in Lieu of Answer filed by Cambridge and Claimant on or about: November 10, 2020.
Cambridge did not sign the Submission Agreement.

Statement of Answer filed by MKD on or about: November 4, 2020.
MKD signed the Submission Agreement: November 4, 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 Stipulation in Lieu of Answer, Cambridge denied any wrongdoing and did not oppose Claimant's expungement request.

In the Statement of Answer, MKD did not oppose Claimant's expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1634610 and an award of compensatory damages in the amount of \$1.00.

In the Stipulation in Lieu of Answer, Cambridge did not request any relief.

In the Statement of Answer, MKD Wealth objected to Claimant's request for \$1.00 in damages and requested that all costs and fees associated with the claim be assessed solely against Claimant.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

Cambridge did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having submitted a Stipulation in Lieu of Answer, is bound by the determination of the Arbitrator on all issues submitted.

On January 22, 2021, Claimant advised that the customers in Occurrence Number 1634610 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notice"). Claimant also filed a copy of the FedEx proof-of-delivery for the Notice.

The Arbitrator conducted a recorded, telephonic hearing on February 12, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Neither Cambridge nor MKD participated in the expungement hearing.

The Customers did not participate in the expungement hearing. The Arbitrator found that the Customers 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 occurrence in the CRD.

The Arbitrator noted that the dispute related to Occurrence Number 1634610 was not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Statement of Claim, MKD's Statement of Answer, underlying arbitration Award,

Claimant's post-hearing brief, Claimant's BrokerCheck® Report, customer account forms, Claimant's testimony, and arguments by Claimant's counsel.

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 Number 1634610 from registration records maintained by the CRD for Claimant Joseph Edgar Mackey (CRD Number 4531242) with the understanding that, pursuant to Notice to Members 04-16, Claimant Joseph Edgar Mackey 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, 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:

The record showed that Claimant was not a party in the underlying arbitration award that is the subject of the dispute at issue. As such, despite an arbitration award for compensatory damages against the respondents in the underlying arbitration, there was no finding of liability or any damage award against Claimant. The evidence showed that Claimant handled the Customers' accounts in a professional and diligent manner. Claimant provided adequate information to the Customers about investments made in the Customers' accounts. The Customers' written and signed investment objectives, expressed in customer account documentation, reflected that Claimant's investment recommendations were in fact suitable. One of the customers was a sophisticated attorney with significant investment experience and a large income and net worth. Claimant and the Customers met and spoke often about the performance of the Customers' investments. The Customers had access to significant online data about their accounts. The losses in the Customers' accounts were largely the product of the Customers' liquidation of their accounts after a significant market downturn. If the Customers had stayed with Claimant's recommended investment plan, and not liquidated their accounts, all market downturn losses would have been recovered and profits would have been earned. The evidence showed that Claimant fully explained the recommended investments and provided the Customers with sale and disclosure information. The record showed no evidence that Claimant misrepresented any investment to the Customers.

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
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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 persons at the time of the events giving rise to the dispute. Accordingly, as a party, Cambridge is assessed the following:

Member Surcharge Fee	=\$	150.00
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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) hearing session on expungement request @ \$50.00/session	=\$	50.00
Hearing: February 12, 2021 1 session		
<hr/> Total Hearing Session Fees	=\$	50.00

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

Patrick R. Sughroue

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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

Patrick R. Sughroue

Patrick R. Sughroue
Sole Public Arbitrator

02/26/2021

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.

February 26, 2021

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