

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Adam Randolph Lampe

Case Number: 21-00900

vs.

Respondent
Proequities, Inc.

Hearing Site: Houston, Texas

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

REPRESENTATION OF PARTIES

For Claimant Adam Randolph Lampe (“Claimant”): Stephan Louviere, Esq., Louviere Law Firm, P.A., Pompano Beach, Florida.

For Respondent Proequities, Inc. (“Respondent”): Jennifer M. Moore, Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: April 6, 2021.

Claimant signed the Submission Agreement: April 6, 2021.

Statement of Answer filed on or about: May 26, 2021.

Respondent signed the Submission Agreement: June 14, 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 the Statement of Answer, Respondent denied any wrongdoing and took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 1633437 and 2087346 and compensatory damages in the amount of \$1.00.

In the Statement of Answer, Respondent requested the Arbitrator deny Claimant's request for \$1.00 in compensatory damages and that all fees and costs be assessed against Claimant.

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

OTHER ISSUES CONSIDERED AND DECIDED

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

On May 27, 2021, Claimant filed correspondence that the parties agreed to proceed with a single arbitrator. Accordingly, the Chairperson became the sole arbitrator in this case.

On September 29, 2021, Claimant advised that the customers in Occurrence Numbers 1633437 and 2087346 ("Customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing ("Notices"). Claimant provided the FedEx tracking information available online for the Notices.

The Arbitrator conducted a recorded, telephonic hearing on October 19, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, took no position on the request for expungement.

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 occurrences in the CRD.

The Arbitrator noted that the disputes related to Occurrence Numbers 1633437 and 2087346 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's testimony, Affidavit of Claimant's father concerning the customer's account for Occurrence Number 1633437; account documents executed by the Customers; email communications between Claimant, the Customers, and Respondent; Claimant's BrokerCheck® Report; and proof of delivery of the Notices.

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 Numbers 1633437 and 2087346 from registration records maintained by the CRD for Claimant Adam Randolph Lampe (CRD Number 4929585) with the understanding that, pursuant to Notice to

Members 04-16, Claimant Adam Randolph Lampe 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:

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

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and

The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Occurrence No. 1633437: The evidence demonstrated that Claimant was not involved in the alleged investment-related practice which the Customer questioned in 2012 by means of an email to Claimant claiming there had been no increase in value to his investments and that he felt he had been “trapped” in the real estate investment trusts (“REITs”) for five (5) years. When the Customer purchased the REITS in 2007, he dealt only with Claimant's father. At that time, Claimant was functioning only as his father's assistant/apprentice. He did not obtain his securities license until 2009, which was two (2) years after the Customer purchased the REITs. The pertinent documentation reflects the signatures of the Customer and Claimant's father. The Customer's complaint concerned alleged point of sale misrepresentations, but the evidence demonstrated that Claimant did not recommend to the Customer that he purchase the REITs and made no representations to the Customer. He was not added to the Customer's account as a joint representative (with his father) until several years after the Customer purchased the REITs. Claimant's father denied the Customer's allegations and the evidence presented reflects that the investments he recommended were suitable and based on the Customer's expressed investment objectives and risk tolerance. Respondent investigated the matter, ultimately advising the Customer that it had determined that he opened his account with Claimant's father in August 2007, and that Claimant's father had acted in accordance with the investment objectives the Customer had stated and provided in writing, and had acted in good faith and recommended investments to meet the needs the Customer described at the time of his investments. The Customer did not respond to Respondent's communication and took no further action, as a result of which Respondent reported the matter's status as “Closed/No Action.” The evidence demonstrated that the Customer's allegations were false, factually impossible, and clearly erroneous as to Claimant and that Claimant was not involved in the alleged investment-related sales practice. Thus, expungement is warranted per Rule 2080 (1) (A), (B) and (C).

Occurrence No. 2087346: The evidence demonstrated that the investments recommended by Claimant were suitable, based on the Customer's stated investment objectives and risk tolerance, all of which the Customer acknowledged by signing account documents. The Customer also confirmed that he understood the investments, including risks and benefits, all of which had been explained to him. The Customer's complaint was that he felt he was paying too much for fees associated with his annuity. Although the Customer acknowledged Claimant and his father had reduced their fees 50% several years earlier (from 1% to .5% -- and eventually to .25%, which is well below industry standard), he still felt he was paying too much in "fees" associated with his annuity. The evidence, however, demonstrated that all fees and surrender charges of the annuity had been fully disclosed in the annuity application which he signed. Moreover, he was able to transfer out of the annuity after the surrender period and incurred no surrender charges. Once Claimant reminded him of these facts, the Customer apologized to Claimant for the "harshness" of his email and for overreacting, and notified Respondent that he never intended to complain about Claimant's investment recommendations and that he wished to withdraw his complaint. Respondent reported the status of the Customer's "complaint" as "withdrawn" on the BrokerCheck® report. Based on the evidence presented, this Arbitrator concludes that that expungement is warranted per Rule 2080 (1) (A) and (C).

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	= \$	1,575.00
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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 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	= \$	1,900.00
Member Process Fee	= \$	3,750.00

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) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing: October 19, 2021	1 session	
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Total Hearing Session Fees	= \$	1,125.00

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

Lynne M. Gomez - 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

Lynne M. Gomez

Lynne M. Gomez
Sole Public Arbitrator

10/22/2021

Signature Date

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October 22, 2021

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