

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Molly Mount Hines Rambo

Case Number: 21-01064

vs.

Respondent

Waddell & Reed

Hearing Site: Providence, Rhode Island

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 Molly Mount Hines Rambo: Dochter Kennedy, MBA, J.D. AdvisorLaw LLC, Westminster, Colorado.

For Respondent Waddell & Reed: Jon D. Kaplon, Esq., LPL Financial LLC, Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: April 22, 2021.

Molly Mount Hines Rambo signed the Submission Agreement: April 22, 2021.

Statement of Answer filed by Respondent on or about: June 14, 2021.

Waddell & Reed signed the Submission Agreement: June 22, 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 did not oppose Claimant’s expungement request made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1772224;

and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent did not set forth a specific relief request.

OTHER ISSUES CONSIDERED AND DECIDED

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

The parties agreed that pursuant to Rule 13401(c) of the Code of Arbitration Procedure, this matter would be decided by one arbitrator.

On September 9, 2021, Claimant advised that the customer in Occurrence Number 1772224 was served with the Statement of Claim and notice of the date and time of the expungement hearing. On September 13, 2021, Claimant filed an Affidavit confirming that the customer was 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 November 9, 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, did not oppose the request for expungement.

The customer in Occurrence Number 1772224 did not participate in the expungement hearing. The Arbitrator found that the customer 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 1772224 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings; Claimant's testimony; Claimant's BrokerCheck® Report; and the exhibits.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, 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 Number 1772224 from registration records maintained by the CRD for Claimant Molly Mount Hines Rambo (CRD Number 2103627) with the understanding that, pursuant to Notice to Members 04-16, Claimant Molly Mount Hines Rambo 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; and the claim, allegation, or information is false.

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

In 2015, the customer complained to the firm about the lack of disclosure in a tax-free exchange of annuity products. The firm investigated and found no merit in the complaint, which was not pursued in any fashion by the customer.

Based on the documentary evidence and testimony, the complaint is clearly erroneous and/or false. The terms of the new annuity, including fees and distributions, were discussed in great detail and length with the client and fully met her objectives. Additionally, the client executed and delivered all required risk acknowledgements and disclosures. There was no discussion concerning possible market loss.

Claimant also testified as to the negative impact this disclosure has had on her business development efforts.

The interest of consumer protection and awareness being in no way negatively implicated, the arbitrator recommends that the occurrence be expunged.

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:

Initial Claim Filing Fee = \$ 1,600.00

**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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent Waddell & Reed is 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: August 17, 2021	1 session

One (1) hearing session on expungement request @ \$1,150.00/session	= \$ 1,150.00
Hearing: November 9, 2021	1 session

Total Hearing Session Fees	= \$ 2,300.00
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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

Robert E. Anderson

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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

Robert E. Anderson

Robert E. Anderson
Sole Public Arbitrator

11/22/2021

Signature Date

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November 22, 2021

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