

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant

████████████████████

Case Number: ██████████

vs.

Respondents

WMA Securities, Inc.  
World Group Securities, Inc.

Hearing Site: Charlotte, North Carolina

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Nature of the Dispute: Associated Person vs. Members

**REPRESENTATION OF PARTIES**

For Claimant ██████████ (“Claimant”): Dochter Kennedy, MBA, J.D., and Christopher Cummins, Esq., AdvisorLaw LLC, Westminster, Colorado.

Respondent WMA Securities, Inc. (“WMA Securities”) did not enter an appearance.

For Respondent World Group Securities, Inc. (“World Group”): Susan D. Duff, Esq., Assistant General Counsel, Transamerica Financial Advisors, Inc., St. Petersburg, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: June 12, 2018.

Claimant signed the Submission Agreement: June 12, 2018.

Statement of Answer filed by World Group on or about: July 26, 2018.

World Group signed the Submission Agreement: July 12, 2018.

**CASE SUMMARY**

Claimant asserted a claim seeking expungement of two customer disputes (“Underlying Claims”) from his Central Registration Depository (“CRD”) records: one customer complaint, occurrence number ██████████, and one underlying arbitration, occurrence number ██████████.

In the Statement of Answer, World Group advised that it is now known as Transamerica Financial Advisors, Inc. and that it takes no position as to whether Claimant is entitled to expungement of the Underlying Claims.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

1. Expungement of the Underlying Claims from his CRD records pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of the Underlying Claim from his CRD records pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. An award of damages in the amount of \$1.00 from Respondents; and
4. Any and all other relief as the Arbitrator deems just and equitable.

In the Statement of Answer, World Group requested:

1. Denial of any monetary relief to Claimant; and
2. All forum fees in connection with this matter pursuant to FINRA Rule 12805(d) be assessed to Claimant.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The Arbitrator acknowledges that she has read the pleadings and other materials filed by the parties.

WMA Securities did not file with FINRA Office of Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On October 29, 2018, Claimant provided notice that the Statement of Claim and notice of the expungement hearing was served on the customer in occurrence number [REDACTED] ("Mr. J.H.") and the customers in occurrence number [REDACTED] ("Mr. and Mrs. H").

Hereinafter, Mr. J.H. and Mr. and Mrs. H are collectively referred to as the "Customers".

On November 6, 2018, Claimant submitted an Affidavit of Service signed by Claimant's counsel advising that the Customers were served with the Statement of Claim.

The Arbitrator conducted a recorded telephonic hearing on November 28, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement. WMA Securities did not participate in the expungement hearing. The Arbitrator noted that World Group's counsel stated on the record that WMA Securities was dissolved in 2002. Upon review of the file and the representations made by Claimant, the Arbitrator determined that WMA Securities has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without WMA Securities present, in accordance with the Code.

The Customers also did not appear at the expungement hearing. The Arbitrator noted that each of the Customers was served with the Statement of Claim and did not file a response. The Arbitrator found that the Customers had notice of the hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report.

The Arbitrator noted that there was no settlement in occurrence number [REDACTED] therefore there were no settlement documents to review.

The Arbitrator reviewed the settlement documents in occurrence number [REDACTED] considered the amount of payments made to any party, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that Claimant was dismissed from the underlying arbitration prior to the settlement and, accordingly, that Claimant did not contribute to the settlement amount. The Arbitrator noted that the settlement was not conditioned on Mr. and Mrs. H not opposing the request for expungement. The Arbitrator determined that the World Group settled the arbitration case to avoid litigation costs.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of the same disclosures in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's testimony and evidence regarding the Underlying Claims, Claimants BrokerCheck® Report; Settlement Agreement in occurrence number [REDACTED] and testimony of World Group's counsel that World Group took no position on the expungement request. The Arbitrator also considered the age of the Underlying Claims (2002 and 2003) in considering their expungement from Claimant's CRD records and noted Claimant's length of time with a clean record.

The parties present at the hearing have agreed that a handwritten, signed Award may be entered.

### AWARD

After considering the pleadings, the testimony and evidence presented at the 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 the Underlying Claims, occurrence numbers [REDACTED] and [REDACTED], from registration records maintained by the CRD for Claimant [REDACTED] (CRD# [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant [REDACTED] 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 findings of fact:

The claim, allegation, or information is false.

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

**Occurrence Number [REDACTED] (in which Mr. J.H. was the customer)**

Mr. J.H. alleged that he didn't know he was buying life insurance. However, Mr. J.H. had applied for life insurance, undergone medical tests and exams, and paid life insurance premiums for 14 months before filing the complaint. Therefore, the Arbitrator finds that Mr. J.H.'s claim was false.

**Occurrence Number [REDACTED] (in which Mr. and Mrs. H were the customers)**

Mr. and Mrs. H claimed a variable annuity and Class B and C shares recommendations were unsuitable. However, these customers were high net worth, highly educated, had a long investment horizon and signed and initialed numerous disclosures about the investments. The Arbitrator finds, therefore, that the claim is false.

2. Claimant's request for \$1.00 in compensatory damages is denied.
3. 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 Office of Dispute Resolution 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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondents are assessed the following:

World Group Securities, Inc. Member Surcharge	= \$ 150.00
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WMA Securities, Inc. Member Surcharge	= \$ 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(s), including a pre-hearing conference with the arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$50.00
Pre-hearing conference: October 1, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$50.00
Hearing Date: November 28, 2018	1 session

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Total Hearing Session Fees	= \$100.00
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The Arbitrator has assessed \$100.00 of the hearing session fees to Claimant.

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

**ARBITRATOR**

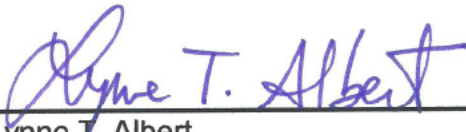
Lynne T. Albert

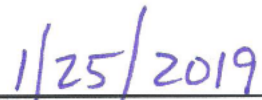
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Sole Public Arbitrator

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**

  
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Lynne T. Albert  
Sole Public Arbitrator

  
\_\_\_\_\_  
Signature Date

January 25, 2019  
Date of Service (For FINRA Office of Dispute Resolution office use only)