

**AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Darleen Busse, individually and as for the Darleen Busse Living Trust and as beneficiary and trustee of the Charitable Remainder Trust

and

04-03791
Phoenix, Arizona

Name of Respondents

RBC Dain Rauscher Inc.
Larry Kay Wetterschneider
Richard E. Mundinger

Nature of the Dispute: Customer vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Darleen Busse, individually and as trustee for the Darleen Busse Living Trust and as beneficiary and trustee of the Charitable Remainder Trust ("**Claimant**") was represented by Sean E. Brearcliffe, Esq., Rusing & Lopez, P.L.L.P., Tucson, Arizona.

RBC Dain Rauscher Inc. ("**Respondent RBC Dain**") and Larry K. Wetterschneider ("**Respondent Wetterschneider**") were represented by Joel P. Hoxie, Esq. and Matthew P. Fischer, Esq., Snell & Wilmer L.L.P., Phoenix, Arizona.

Richard E. Mundinger ("**Respondent Mundinger**") was originally represented by Joel P. Hoxie, Esq. and Matthew P. Fischer, Esq., Snell & Wilmer L.L.P., Phoenix, Arizona but appeared *pro se* at the hearing.

CASE INFORMATION

The Statement of Claim was filed on or about May 25, 2004. Submission Agreement of Claimant Darleen Busse, individually and as for the Darleen Busse Living Trust and as beneficiary and trustee of the Charitable Remainder Trust was signed on June 23, 2004.

Statement of Answer was filed by Respondents RBC Dain Rauscher Inc. Larry K. Wetterschneider and Richard E. Mundinger on or about October 11, 2004. Submission Agreement of Respondent RBC Dain Rauscher Inc. was signed on July 26, 2004.

Submission Agreement of Respondent Larry Kay Wetterschneider was signed on July 27, 2006.

CASE SUMMARY

Claimant alleged that:

Darleen Busse suffered significant losses of her assets as a direct result of the mismanagement and negligent handling of her investment accounts between 1999 and 2003 by Defendants, and by the failure of RBC Dain Rauscher and Larry Wetterschneider to supervise the management of the accounts by Richard Mundinger. Defendants' conduct constituted a breach of fiduciary duty, negligence, negligent supervision and training and violations of NASD rules and regulations.

The allegations relate to the investments in various mutual funds, equities and variable annuities.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated

Throughout the time Claimant's accounts were at RBC Dain Rauscher, Mr. Mundinger handled the accounts in a manner consistent with Claimant's stated investment objectives and tolerance for investment risk. Respondents are not responsible for the investment losses incurred by Claimant. Such losses resulted from market forces, the risk of which was knowingly accepted by Claimant and over which Respondents had no control. Further, Respondents made informed and appropriate recommendations to Claimant, but ultimately, all investment decisions were made either by Claimant or by outside investment managers selected by Claimant. Mr. Mundinger had no discretion over any of Claimant's investments.

RELIEF REQUESTED

Claimant requested an award of unspecified compensatory damages, interest, attorneys' fees and costs. In addition, Claimant requested an award of unspecified punitive damages.

Respondents requested that the Panel dismiss the Statement of Claim and award them their fees and costs incurred in this matter.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Richard E. Mundinger did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the

claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

At the commencement of the hearings in April, 2006, the parties informed the Arbitration Panel that all claims asserted against Larry Kay Wetterschneider were dismissed pursuant to a Stipulation of the parties. The parties had also agreed to the expungement of this claim from Larry Kay Wetterschneider's CRD record.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter have not been proved by a preponderance of the evidence and are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Larry Kay Wetterschneider's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09, 99-54 and 04-16, Respondent Larry Kay Wetterschneider must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:
 - a. The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; or
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$250.00

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. In this matter, the member firm(s) is RBC Dain Rauscher Inc.

Member surcharge	\$	1,500.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,200.00
Total Member Fees	\$	4,450.00

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Date(s), July 11-13, 2005, adjournment requested jointly by the parties to mediate. Fee waived	\$1,000.00
Hearing Date(s), January 17-19, 2006, adjournment requested jointly by the parties to mediate. Fee waived	\$1,500.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

4 Pre-hearing session(s) with Panel	x	1,000.00	\$	4,000.00
November 23, 2004	1	session		
July 13, 2005	1	session		
February 8, 2006	1	session		
April 26, 2006	1	session		

8 Hearing sessions	x	1,000.00	\$	8,000.00
April 17, 2006	2	sessions		
April 18, 2006	2	sessions		
April 19, 2006	2	sessions		
July 18, 2006	2	sessions		
Total Forum Fees			\$	12,000.00

The Arbitration Panel has assessed \$6,000.00 of the forum fees to Darleen Busse, individually and as for the Darleen Busse Living Trust and as beneficiary and trustee of the Charitable Remainder Trust.

The Arbitration Panel has assessed \$6,000.00 of the forum fees jointly and severally to RBC Dain Rauscher Inc., Larry Kay Wetterschneider, and Richard E. Munding.

Fee Summary

Claimant, Darleen Busse, individually and as for the Darleen Busse Living Trust and as beneficiary and trustee of the Charitable Remainder Trust, is liable for:

Initial Filing Fee	= \$	250.00
<u>Forum Fees</u>	= \$	6,000.00
Total Fees	= \$	6,250.00
<u>Less payments</u>	= \$	-1,461.50
Balance Due NASD Dispute Resolution	= \$	4,788.50

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$	4,450.00
Total Fees	= \$	4,450.00
<u>Less payments</u>	= \$	-4,661.50
Balance applied to fees below	= \$	- 211.50

Respondents, RBC Dain Rauscher Inc., Larry Kay Wetterschneider, and Richard E. Munding, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	6,000.00
Total Fees	= \$	6,000.00
<u>Less payments</u>	= \$	-211.50
Balance Due NASD Dispute Resolution	= \$	5,788.50

All balances are due to NASD Dispute Resolution

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ARBITRATION PANEL

Eugene W. Bronski, Esq. - Public Arbitrator, Presiding Chair
Eugene R. Nielson - Public Arbitrator
Robert Miller Lawder - Non-Public Arbitrator

Concurring Arbitrators:

Eugene W. Bronski
Eugene W. Bronski, Esq.
Public Arbitrator, Presiding Chair

7-20-06
Signature Date

Eugene R. Nielson
Public Arbitrator

Signature Date

Robert Miller Lawder
Non-Public Arbitrator

Signature Date

7/20/06
Date of Service (For NASD office use only)

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ARBITRATION PANEL

Eugene W. Bronski, Esq. - Public Arbitrator, Presiding Chair
Eugene R. Nielson - Public Arbitrator
Robert Miller Lawder - Non-Public Arbitrator

Concurring Arbitrators:

Eugene W. Bronski, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Eugene R. Nielson
Eugene R. Nielson
Public Arbitrator

July 20, 2006
Signature Date

Robert Miller Lawder
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Eugene R. Nielson
Public Arbitrator

Signature Date

Robert Miller Lawder

Robert Miller Lawder
Non-Public Arbitrator

7-20-2006

Signature Date

Date of Service (For NASD office use only)