

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Craig Price

Case Number: 19-00415

vs.

Respondents
Raymond C. Klahne
William J. Gilcher

Hearing Site: Boca Raton, Florida

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. Associated Persons

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Craig Price: Neil L. Henrichsen, Esq., Henrichsen Law Group, PLLC, Jacksonville, Florida.

For Respondents Raymond C. Klahne (“Klahne”) and William J. Gilcher (“Gilcher”): Julie I. Taylor, Esq. and Ashley Impellitteri, Esq., Keesal, Young & Logan, San Francisco, California.

CASE INFORMATION

Statement of Claim filed on or about: February 5, 2019.

Craig Price signed the Submission Agreement: February 5, 2019.

Statement of Answer filed by Respondents on or about: April 4, 2019.

Raymond C. Klahne signed the Submission Agreement: April 1, 2019.

William J. Gilcher signed the Submission Agreement: April 1, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: defamation; violation of Florida's Unfair and Deceptive Trade Practices Act; and tortious interference with contract. The causes of action relate to Claimant's alleged wrongful termination for his whistleblower activity.

Unless specifically admitted in the Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: unspecified damages, including, but not limited to, economic and compensatory non-economic damages, including emotional distress and mental anguish, damage to career and reputation, personal humiliation, loss of dignity and loss of enjoyment of life; punitive damages; an injunction to enjoin the wrongful acts against Claimant; pre-judgment and post-judgment interest; and attorneys' fees and costs pursuant to §501.211, Florida Statutes.

In the Statement of Answer, Respondents requested: that Claimant's claims be denied in their entirety; costs; and for any and all other relief deemed appropriate by the Panel.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

On June 16, 2020, Respondents filed their Second Motion to Compel and for Sanctions against Claimant based upon ongoing discovery violations, to which Claimant filed a June 26, 2020 opposition and Respondents filed a July 1, 2020 reply. On July 24, 2020, the Panel granted Respondents' Motion and directed Respondents to file an invoice setting forth their costs and attorneys' fees in connection with the filing of the Motion for the Panel's review and approval. In lieu of an invoice, on August 3, 2020, Respondents filed a letter and Declaration in Support of Supplemental Submission for Monetary Sanctions. After reviewing Respondents' submission, the Panel issued a supplemental Order dated August 11, 2020 stating that, "...since Respondents chose not to comply fully with the [prior] order to produce the invoice, the sum claimed shall be reduced to one-half," which Claimant was directed to pay to Respondents by September 10, 2020. On November 16, 2021, Respondent confirmed receipt of the monetary sanctions from Claimant in compliance with the Panel's August 11, 2020, Order.

On October 29, 2020, Respondents filed a Motion to Dismiss pursuant to Rules 13511 and 13212 of the Code. On November 6, 2020, Claimant filed a response opposing the Motion to Dismiss. On November 11, 2020, Respondents filed a reply in response to Claimant's opposition to the Motion to Dismiss. On December 18, 2020, the Panel heard oral arguments on the Motion to Dismiss. On December 21, 2020, the Panel denied the Motion to Dismiss.

The Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$650,000.00 in compensatory damages.
2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure ("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

**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 Claimant's former firm, UBS Financial Service Inc. is assessed the following:

Member Surcharge = \$ 1,900.00

Member Process Fee = \$ 3,750.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers decided by two Arbitrators @ \$400.00/decision = \$ 400.00

Respondents submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed the total discovery-related motion fees to Claimant.

Hearing Session Fees and Assessments

The Panel 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(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) discovery pre-hearing conference with single Arbitrator @ \$450.00/session
Pre-Hearing Conference: November 2, 2020 1 session = \$ 450.00

Four (4) pre-hearing sessions with the Panel @ \$1,125.00/session = \$ 4,500.00
Pre-Hearing Conferences: June 24, 2019 1 session
March 26, 2020 1 session

	April 1, 2020	1 session	
	December 18, 2020	1 session	
Five (5) hearing sessions @ \$1,125.00/session			= \$ 5,625.00
Hearings:	November 1, 2021	2 sessions	
	November 2, 2021	2 sessions	
	November 3, 2021	1 session	
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Total Hearing Session Fees			= \$ 10,575.00

The Panel has assessed \$4,275.00 of the hearing session fees to Claimant.

The Panel has assessed \$5,175.00 of the hearing session fees jointly and severally to Respondent Klahne and Respondent Gilcher.

The \$1,125.00 hearing session fees in connection with the pre-hearing conference conducted on March 26, 2020 were waived.

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

ARBITRATION PANEL

Sidney J. Wartel	-	Public Arbitrator, Presiding Chairperson
Warren D. Brown	-	Public Arbitrator
Marie Katz	-	Non-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.

Concurring Arbitrators' Signatures

Sidney J. Wartel

Sidney J. Wartel
Public Arbitrator, Presiding Chairperson

11/18/2021

Signature Date

Warren D. Brown

Warren D. Brown
Public Arbitrator

11/18/2021

Signature Date

Marie Katz

Marie Katz
Non-Public Arbitrator

11/18/2021

Signature Date

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November 18, 2021

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