

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
David W. Frost

Case Number: 19-01855

vs.

Respondents
Laidlaw & Company (UK) Ltd. and
Kevin Richard Wilson

Hearing Site: Wichita, Kansas

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: Customer vs. Member and Associated Person

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant David W. Frost (“Claimant”): Daniel D’Costa, Esq., D’Costa Law, Syosset, New York.

For Respondent Laidlaw & Company (Uk) Ltd. (“Laidlaw”): Richard J. Babnick, Jr., Esq., Sichenzia Ross Ference LLP, New York, New York, as of on or about November 17, 2021.

Respondent Kevin R. Wilson (“Wilson”) appeared pro se.

Laidlaw and Wilson, hereinafter, collectively, referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: July 1, 2019.
Claimant signed the Submission Agreement: July 1, 2019.

Statement of Answer filed by Laidlaw on or about: September 12, 2019.
Laidlaw did not sign the Submission Agreement.

Statement of Answer filed by Wilson on or about: September 12, 2019.
Wilson did not sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: statutory and common law fraud, misrepresentation, negligence, breach of contract, and breach of fiduciary duty. The causes of action related to Claimant's allegations that he was fraudulently induced by Respondents to purchase shares in private placements, including Protea Biosciences, Relmada Therapeutics, Biosig Technologies, Pershing Gold Corp., and Boston Therapeutics.

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

In the Statement of Answer, Wilson joined in and incorporated all of the responses, denials, and affirmative defenses set forth in the Statement of Answer filed by Laidlaw.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested rescission in the amount estimated to be in excess of \$1,600,000.00; interest, at the statutory rate, as provided by law; reimbursement of reasonable costs associated with the filing of this claim, including costs of representation, travel, and expert witnesses; and punitive damages in an amount the Panel determines to be sufficient to punish Respondents and deter similar misconduct in others.

In the Statement of Answer, Laidlaw requested that the Panel dismiss Claimant's Statement of Claim, with prejudice, and issue such other and further relief as the Panel deems just, equitable, and proper.

In the Statement of Answer, Wilson joined in and incorporated all of the responses, denials, and affirmative defenses set forth in the Statement of Answer filed by Laidlaw.

OTHER ISSUES CONSIDERED AND DECIDED

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

Laidlaw and Wilson did not file properly executed Submission Agreements but are required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, appeared, and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

On November 23, 2021, Claimant filed a Motion for Virtual Final Hearing Via Zoom ("Motion for Zoom Hearing"). On December 1, 2021, Laidlaw filed a Response opposing the Motion for Zoom Hearing. The same day, Claimant filed a Reply in Support of the Motion for Zoom Hearing. In an Order dated December 8, 2021, the Panel granted the Motion for Zoom Hearing.

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. Claimant’s claims are denied in their entirety.
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, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee = \$ 2,000.00

**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 a party, Laidlaw is assessed the following:

Member Surcharge = \$ 3,025.00
Member Process Fee = \$ 6,175.00

Discovery-Related Motion Fees

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

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 400.00

Claimant submitted one (1) discovery-related motion
Laidlaw submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed \$200.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$200.00 of the discovery-related motion fees to Laidlaw.

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:

Two (2) pre-hearing sessions with the Panel @ \$1,400.00/session	= \$	2,800.00
Pre-Hearing Conferences: October 31, 2019	1 session	
January 19, 2021	1 session	
Eight (8) hearing sessions @ \$1,400.00/session	= \$	11,200.00
Hearings: January 18, 2022	2 sessions	
January 19, 2022	2 sessions	
January 20, 2022	2 sessions	
January 21, 2022	2 sessions	
<hr/>		
Total Hearing Session Fees	= \$	14,000.00

The Panel has assessed \$6,062.00 of the hearing session fees to Claimant.

The Panel has assessed \$476.00 of the hearing session fees to Laidlaw.

The Panel has assessed \$462.00 of the hearing session fees to Wilson.

The Panel has assessed \$5,600.00 of the hearing session fees jointly and severally to Respondents.

The Panel has waived \$1,400.00 of the hearing session fees.

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

ARBITRATION PANEL

Joseph Neal Richardson	-	Public Arbitrator, Presiding Chairperson
Ilene T. Gormly	-	Public Arbitrator
Robert J. Carlson	-	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

Joseph Neal Richardson

Joseph Neal Richardson
Public Arbitrator, Presiding Chairperson

01/28/2022

Signature Date

Ilene T. Gormly

Ilene T. Gormly
Public Arbitrator

01/28/2022

Signature Date

Robert J. Carlson

Robert J. Carlson
Non-Public Arbitrator

01/28/2022

Signature Date

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.

January 28, 2022

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