

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
J. Leland Langston

Case Number: 19-02374

vs.

Respondent  
Reid & Rudiger LLC

Hearing Site: Denver, Colorado

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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

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimant J. Leland Langston (“Claimant”): Kristian Kraszewski, Esq., Kyros Law, Coral Gables, Florida.\*

For Respondent Reid & Rudiger LLC (“Respondent”): Joel S. Forman, Esq., Akerman LLP, New York, New York.

\*FINRA recorded the appearance of Claimant’s counsel at the time of filing of the Statement of Claim. Counsel’s representation of Claimant may have ended with the parties’ settlement. Please see the Other Issues Considered and Decided section of this Award for information on whether Claimant’s counsel appeared at the expungement hearing.

**CASE INFORMATION**

Statement of Claim filed on or about: August 20, 2019.  
Claimant signed the Submission Agreement: August 20, 2019.

Statement of Answer filed by Respondent on or about: October 8, 2019.  
Respondent signed the Submission Agreement: October 8, 2019.

### **CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: breach of fiduciary duty; violation of FINRA Rules; breach of contract; negligence; and negligent supervision. The causes of action relate to unspecified securities.

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

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

1. Actual damages of no less than \$499,999.00;
2. Damages for loss of income/returns that would have been received had Claimant's money been managed properly;
3. All other losses, foreseeable or not, that Claimant suffered, including non-pecuniary losses;
4. Disgorgement and return of all fees, management charges, and commissions;
5. Interest on Claimant's losses at the legal rate;
6. Claimant's costs, legal fees and expenses;
7. Rescission and/or statutory damages; and
8. Such other and additional relief as may be shown at hearing and which the Panel deems just and equitable.

In the Statement of Answer, Respondent requested:

1. Dismissal of the claims with prejudice;
2. Expungement of this matter from Central Registration Depository ("CRD") records for Unnamed Party Clifford Ronald Reid ("Reid");
3. Attorneys' fees and expenses;
4. Reimbursement for FINRA fees and surcharges relating to this arbitration and assessment of all forum fees against Claimant; and
5. All other costs related to this arbitration.

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

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

On November 24, 2021 Claimant filed a notice of voluntary dismissal with prejudice. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

On December 14, 2021, Respondent filed a Motion for Expungement on behalf of Reid, to which no response was filed.

The Panel conducted a recorded, telephonic hearing on February 3, 2022, so the parties could present oral argument and evidence on Reid's request for expungement.

Claimant did not participate in the expungement hearing.

The Panel reviewed Reid's BrokerCheck® Report. The Panel noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrences in the CRD.

The Panel also reviewed the settlement documentation, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Panel noted that the settlement was not conditioned on any party to the settlement not opposing the request for expungement and that Reid did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: the Statement of Claim; Respondent's exhibits; the settlement agreement; Reid's BrokerCheck® Report; and Reid's testimony.

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:

The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Number 2047172) from registration records maintained by the CRD for Unnamed Party Clifford Ronald Reid (CRD Number 1905920) with the understanding that, pursuant to Notice to Members 04-16, Unnamed Party Clifford Ronald Reid 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 12805 of the Code of Arbitration Procedure ("Code"), the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

After hearing testimony from Reid and reviewing the Respondent's exhibits 1 through 12 in the submitted "Hearing Exhibits in Support of Clifford Ronald Reid's Request for Expungement," the Panel found the claim, allegation or information is false under Rule 2080(b)(1)(C). There were three allegations in the Statement of Claim: (1) breach of fiduciary duty; (2) violation of FINRA Rules, breach of contract and negligence; and (3) negligent supervision. The first allegation of breach of fiduciary duty is false because, based on the testimony and documents, Claimant was the primary person responsible for the selection of investments and had full control of account activities. This was a non-discretionary account, and the broker made no decisions about investments without the

approval of Claimant. In addition, there was no specificity in this allegation that would have supported this claim. The second allegation of breach of contract and negligence is false. This allegation also was a generalized statement that had no specificity identified. With no supporting details, this allegation had to be considered false. The third allegation, negligent supervision, had no supporting documentation or details that supported the allegation. Hence, this allegation must be considered false.

The Panel reviewed the settlement between Claimant and Respondent, Reid's BrokerCheck® Report and the notice to Claimant. The Panel also found there would be no material adverse effect on investor protection, the integrity of the CRD system or regulatory requirements by recommending this expungement.

### **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	= \$	1,425.00
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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, Respondent 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 with the Panel @ \$600.00/decision	= \$	600.00
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Respondent submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	600.00
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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:

Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	2,250.00
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Pre-Hearing Conferences: December 6, 2019	1 session		
November 18, 2020	1 session		
One (1) hearing session on expungement request @ \$1,125.00/session		= \$	1,125.00
Hearing: February 3, 2022	1 session		
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Total Hearing Session Fees		= \$	3,375.00

The Panel waived \$1,125.00 of the hearing session fees.

The Panel has assessed \$562.50 of the hearing session fees to Claimant.

The Panel has assessed \$1,687.50 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Donald N. Tolin	-	Public Arbitrator, Presiding Chairperson
Thomas R. Bromberg	-	Public Arbitrator
Julie Judith Lurman Joly	-	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**

***Donald N. Tolin***

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Donald N. Tolin  
Public Arbitrator, Presiding Chairperson

**03/07/2022**

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

***Thomas R. Bromberg***

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Thomas R. Bromberg  
Public Arbitrator

**03/05/2022**

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

***Julie Judith Lurman Joly***

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Julie Judith Lurman Joly  
Public Arbitrator

**03/07/2022**

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

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March 07, 2022

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