

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Walter Converse

Case Number: 19-02676

vs.

Respondents
Reid & Rudiger LLC
Clifford Ronald Reid

Hearing Site: Charlotte, North Carolina

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.

REPRESENTATION OF PARTIES

For Claimant Walter Converse (“Claimant”): Bradley D. Schnur, Esq., Law Office of Bradley D. Schnur, Esq. P.C., Jericho, New York.*

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

Hereinafter, Reid & Rudiger LLC and Reid are collectively referred to as “Respondents”.

*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 15, 2019.
Claimant signed the Submission Agreement: August 29, 2019.

Statement of Answer filed by Respondents on or about: October 25, 2019.
Respondents signed the Submission Agreement: October 25, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: unsuitability; overconcentration; churning; excessive trading; commission abuse; failure to supervise; breach of fiduciary duty; negligence; fraudulent misrepresentation; breach of contract; respondeat superior; and lost opportunity damages. The causes of action relate to Claimant's brokerage account managed by Reid and maintained at Reid & Rudiger LLC.

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:

1. Compensatory damages in an amount of no less than \$218,388.00 plus South Carolina statutory interest thereon representing trading losses and disgorgement of commissions and fees earned with respect to the account at issue;
2. Punitive and lost opportunity damages against all Respondents in an amount to be determined by the Panel;
3. An affirmative finding of fraud against all Respondents;
4. Costs in an amount of no less than \$10,000.00;
5. Forum and hearing fees; and
6. Such other, further and different relief, as may be deemed just and equitable under the circumstances.

In the Statement of Answer, Respondents requested:

1. Dismissal of Claimant's claims with prejudice;
2. Recommendation of expungement of this matter from the Central Registration Depository ("CRD") records for Reid;
3. Attorney's fees and expenses;
4. Reimbursement from Claimant for FINRA fees and surcharges relating to this arbitration;
5. Assessment of all forum fees against Claimant; and
6. All other costs related to this arbitration.

Respondents filed a request for expungement on behalf of Reid of all references to this matter from CRD registration records. Please see the Other Issues Considered and Decided section of this Award for more information.

OTHER ISSUES CONSIDERED AND DECIDED

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

On September 27, 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 October 12, 2021, Respondents filed a Motion for Expungement on behalf of Reid, to which no response was filed.

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. Respondent Clifford Ronald Reid's (CRD Number 1905920) request for expungement of the above-captioned arbitration (Occurrence Number 2050088) from CRD is denied.
2. Any and all claims for relief not specifically addressed herein, including any requests for 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	= \$	1,425.00
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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, Reid & Rudiger LLC is assessed the following:

Member Surcharge	= \$	1,700.00
Member Process Fee	= \$	3,250.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

July 27-30, 2021, postponement requested by Claimant	=	Waived
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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) pre-hearing session with a single Arbitrator @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: September 11, 2020	1 session	

Three (3) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	3,375.00
Pre-Hearing Conferences: December 18, 2019	1 session	

January 8, 2020 1 session
October 23, 2020 1 session

One (1) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing: December 22, 2021 1 session		
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Total Hearing Session Fees	= \$	4,950.00

The Panel has assessed \$1,912.50 of the hearing session fees to Claimant.

The Panel has assessed \$3,037.50 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Tina E. Patterson	-	Public Arbitrator, Presiding Chairperson
Daniel F. Piar	-	Public Arbitrator
Dawn M. Antalík-Baker	-	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

Tina E. Patterson

Tina E. Patterson
Public Arbitrator, Presiding Chairperson

12/31/2021

Signature Date

Daniel F. Piar

Daniel F. Piar
Public Arbitrator

12/31/2021

Signature Date

Dawn M. Antalík-Baker

Dawn M. Antalík-Baker
Non-Public Arbitrator

12/31/2021

Signature Date

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December 31, 2021

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