

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

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In the Matter of the Arbitration Between:

Claimant  
Mark R. Pflederer

Case Number: 19-02993

vs.

Respondents  
Reid & Rudiger LLC,  
Edward Rudiger, and  
Clifford Ronald Reid

Hearing Site: Chicago, Illinois

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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 and Associated Persons

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Mark R. Pflederer (“Claimant”): Jonathan E. Neuman, Esq., Law Offices of Jonathan E. Neuman, Esq., Fresh Meadows, New York.

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

**CASE INFORMATION**

Statement of Claim filed on or about: October 4, 2019.

Answer to Statement of Answer and Counterclaim: November 27, 2019.

Claimant signed the Submission Agreement: October 2, 2019.

Statement of Answer and Counterclaim filed on or about: November 25, 2019.

Amended Statement of Answer filed on or about: February 17, 2020.

Respondents signed the Submission Agreement: November 25, 2019.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: fraud, negligent misrepresentation, breach of fiduciary duty and breach of the covenants of good faith and fair dealing, negligent supervision, breach of conduct, Rule 20 violations [Securities Exchange Act

of 1934], and respondeat superior. The causes of action related to Claimant's allegation that Respondents made a series of buy and sell recommendations to Claimant, which were unsuitable and that resulted substantial commissions, interest, fees and mark-ups.

Unless specifically admitted in the Statement of Answer, as amended, and Counterclaim, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In the Counterclaim, Respondent asserted the following cause of action: abuse of process. Respondents alleged that Claimant's agents and non-attorney representatives, initiated this arbitration in bad faith and in retaliation for Reid & Rudiger LLC's refusal, in another case, to remove from its Statement of Answer, reference to the non-attorney representative's criminal history.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested compensation for trading losses in the amount of approximately \$220,542.00 or that amount of compensatory damages the Panel deems to be appropriate, subject to proof at the hearing; disgorgement of commissions and mark-ups, subject to proof at the hearing; interest, at the statutory rate, as provided by law; reimbursement for the 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 to deter similar misconduct in others.

In the Statement of Answer and Counterclaim, Respondents requested that the Panel dismiss the Statement of Claim and deny all alleged claims with prejudice; award Reid & Rudiger LLC sanctions in the form of a monetary penalty against Claimant's agent and non-attorney representatives, in an amount to be determined at the hearing, but estimate to be no less than \$10,000.00; award Reid & Rudiger LLC damages on its counterclaim against Claimant in an amount to be proven at the hearing, but estimated to be no less than \$10,000.00; award Respondents attorneys' fees, expenses and interest; order Claimant to reimburse Respondents for FINRA fees and surcharges relating to this arbitration and assess all forum fees against Claimant; and recommend expungement for Rudiger and Reid of all references to this matter from Central Registration Depository ("CRD") registration records.

In the Amended Statement of Answer, Respondents requested that the Panel dismiss the Statement of Claim and deny all alleged claims with prejudice; award Respondents attorneys' fees and expenses; order Claimant to reimburse Respondents for FINRA fees and surcharges relating to this arbitration and assess all forum fees against Claimant; and recommend expungement for Rudiger and Reid of all references to this matter from CRD registration records.

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

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

On November 27, 2019, Claimant filed a Motion to Strike Respondents' Statement of Answer ("Motion to Strike"). On December 9, 2019, Respondents filed a response in opposition to the Motion to Strike. On January 29, 2020, the Panel heard oral arguments on the Motion to Strike.

On the same day, the Panel granted the Motion to Strike the Counterclaim and Respondent was ordered to file an Amended Answer.

On November 11, 2020, Respondents filed a Motion to Dismiss with Prejudice, which included a request for sanctions against Claimant (“Motion to Dismiss and Motion for Sanctions”). On November 23, 2020, Claimant filed a response in opposition to the Motion to Dismiss and Motion for Sanctions. On November 30, 2020, Respondents filed a Reply to Claimant’s Response to the Motion to Dismiss and Motion for Sanctions. On January 15, 2021, the Panel heard oral arguments on the Motion to Dismiss. On the same day, the Panel denied both the Motion to Dismiss and Motion for Sanctions.

As a part of the evidentiary hearing, the Panel heard oral arguments on Respondents’ request for expungement. Claimant took no position on Respondents’ request for expungement.

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

In recommending expungement, the Panel relied upon the following documentary or other evidence: Testimony at the hearing about the management of the account by Claimant and the history and tenure of the respective representatives.

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. The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Numbers 2052581 and 2052580) from registration records maintained by the CRD for Respondent Edward Joseph Rudiger (CRD Number 2118724) and Respondent Clifford Ronald Reid (CRD Number 1905920) with the understanding that, pursuant to Notice to Members 04-16, Respondents Edward Joseph Rudiger and 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:

For both of the Occurrence Numbers, the Panel found that Claimant's allegations that Respondents did not disclose the accurate commission information or tried to conceal it from Claimant was factually false, based on the testimony and the documentation provided to Claimant.

3. 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 = \$ 1,425.00

*\*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, 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:

October 4, 2021, postponement requested by the parties = \$ 1,125.00

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Total Postponement Fees = \$ 1,125.00

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

The Panel has assessed \$562.50 of the postponement fees jointly and severally to Respondents.

#### **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:

Five (5) pre-hearing sessions with the Panel @ \$1,125.00/session = \$ 5,625.00

Pre-Hearing Conferences: January 29, 2020 1 session

October 2, 2020 1 session

	November 16, 2020	1 session	
	January 15, 2021	1 session	
	September 30, 2021	1 session	
Eight (8) hearing sessions @ \$1,125.00/session			= \$ 9,000.00
Hearings:	October 6, 2021	2 sessions	
	October 7, 2021	2 sessions	
	October 8, 2021	2 sessions	
	December 8, 2021	2 sessions	
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Total Hearing Session Fees			= \$ 14,625.00

The Panel has assessed \$6,750.00 of the hearing session fees to Claimant.

The Panel has assessed \$7,875.00 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**

Michael F. Jordan	-	Public Arbitrator, Presiding Chairperson
Michele Braun	-	Public Arbitrator
Pawan Bonner	-	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**

***Michael F. Jordan***

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Michael F. Jordan  
Public Arbitrator, Presiding Chairperson

**12/16/2021**

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

***Michele Braun***

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Michele Braun  
Public Arbitrator

**12/16/2021**

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

***Pawan Bonner***

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Pawan Bonner  
Public Arbitrator

**12/16/2021**

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

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December 16, 2021

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