

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Scott Morse

Case Number: 20-00248

vs.

Respondents
Corinthian Partners, LLC
Mitchell Manoff, as a Control Person of Corinthian
Partners, LLC
Richard Calabrese, as a Control Person of
Corinthian Partners, LLC

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: Customer vs. Member and Associated Persons

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Scott Morse: Adam D. Palmer, Esq., Palmer Law, Boca Raton, Florida.

Respondent Corinthian Partners, LLC (“Corinthian”) appeared pro se.

Respondent Mitchell Manoff, as a Control Person of Corinthian Partners, LLC (“Manoff”) appeared pro se.

Respondent Richard Calabrese, as a Control Person of Corinthian Partners, LLC (“Calabrese”) appeared pro se.

*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: January 22, 2020.

Scott Morse signed the Submission Agreement: January 22, 2020.

Respondents Corinthian, Manoff, and Calabrese did not file a Statement of Answer.
Respondent Corinthian did not sign the Submission Agreement.
Respondent Mitchell Manoff signed the Submission Agreement: February 18, 2021.
Respondent Richard Calabrese signed the Submission Agreement: February 18, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: negligence and negligent misrepresentation; breach of fiduciary duty; and negligent supervision. The causes of action relate to Claimant's private placement investment in promissory notes issued by NAC Global Technologies, Inc.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: compensatory damages of \$33,337.00; statutory pre-judgment and post-judgment interest at 6.83% commencing as of the date of the investment; disgorgement of Respondents' wrongful commissions and fees; punitive damages; and such other legal and equitable relief as may be deemed appropriate under these circumstances.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

Respondent Corinthian did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

On July 6, 2020, Claimant filed a notice of settlement, and Respondents Calabrese and Manoff notified FINRA Dispute Resolution Services of their intent to file a Motion for Expungement of all references to this matter from their Central Registration Depository ("CRD") records. Therefore, the Arbitrator made no determination with respect to any of the relief requests contained in the Statement of Claim.

On July 10, 2020, Claimant filed with FINRA Dispute Resolution Services notice stating that after investigation of the underlying facts, Claimant found that Respondents Manoff and Calabrese were not engaged in direct supervision of the registered representative at fault in the investment named in the underlying arbitration claim, that neither were engaged in or responsible for any alleged sales practice violations, and as such, the claim, allegation or information in the Statement of Claim is false as to Respondents Manoff and Calabrese, and neither should have been named individually. Accordingly, Claimant stated it supports the expungement requests of Respondents Manoff and Calabrese.

On December 2, 2020, Respondents Manoff and Calabrese filed a Motion for Expungement, which was not opposed by Claimant.

The Arbitrator conducted a recorded hearing by videoconference on February 17, 2021, so the parties could present oral argument and evidence on Respondents Manoff's and Calabrese's requests for expungement.

Claimant did not participate in the expungement hearing.

The Arbitrator reviewed Respondents Manoff's and Calabrese's BrokerCheck® Reports. The Arbitrator noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrence in the CRD.

The Arbitrator 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 Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the request for expungement and that Respondents Manoff and Calabrese did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the credible testimony of Respondents Manoff and Calabrese; Settlement Agreement and Release; and letter from Claimant's counsel recommending expungement on behalf of Respondents Manoff and Calabrese dated July 10, 2020.

AWARD

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

The Arbitrator recommends the expungement of all references to the above-captioned arbitration from registration records maintained by the CRD for Respondents Manoff (CRD Number 815314) (Occurrence Number 2069625) and Calabrese (CRD Number 1549013) (Occurrence Number 2069538) with the understanding that, pursuant to Notice to Members 04-16, Respondents Manoff and Calabrese 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, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous;

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and

The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Respondents Manoff and Calabrese were not involved in the alleged violation and they did not supervise the registered representative who managed the account. Respondents

Manoff and Calabrese were named in the Statement of Claim merely because they are the principals of Respondent, Corinthian Partners LLC. Claimant specifically stated that Respondents Manoff and Calabrese should not have been named in the claim because they were not responsible for the supervision of the representative who managed the account.

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 | = \$ | 600.00 |
|--------------------------|------|--------|

**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, Respondent Corinthian is assessed the following:

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|--------------------|------|----------|
| Member Surcharge | = \$ | 750.00 |
| Member Process Fee | = \$ | 1,750.00 |

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, 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: February 4, 2021 | 1 session | |
| | = \$ | 450.00 |

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|---|-----------|--|
| One (1) hearing session on expungement request @ \$450.00/session | | |
| Hearing: February 17, 2021 | 1 session | |

| | | |
|----------------------------|------|--------|
| Total Hearing Session Fees | = \$ | 900.00 |
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The Arbitrator has assessed the total hearing session fees jointly and severally to Respondents Manoff and Calabrese.

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

ARBITRATOR

Paul J. Burkhart

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Sole 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.

Arbitrator's Signature

Paul J. Burkhart

Paul J. Burkhart
Sole Public Arbitrator

02/22/2021

Signature Date

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February 23, 2021

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