

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants
James Rego
Robert Hill

Case Number: 20-02822

vs.

Respondents
Ronin Capital, LLC
John S. Stafford, III
John S. Stafford, Jr.

Hearing Site: New York, New York

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: Associated Persons vs. Member and Associated Persons

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Robert Hill, and James Rego: Thomas McCabe, Esq., Warren Law Group, Oceanside, New York.

For Respondents Ronin Capital, LLC (“Ronin Capital”), John S. Stafford, III (“Stafford III”), and John S. Stafford, Jr. (“Stafford Jr.”): Gary M. Miller, Esq., and Kathleen M. Ryan, Esq. Shook, Hardy & Bacon, L.L.P., Chicago, Illinois.

CASE INFORMATION

Amended Statement of Claim filed on or about: September 3, 2020.
Robert Hill signed the Submission Agreement: September 3, 2020.
James Rego signed the Submission Agreement: September 3, 2020.

Joint Statement of Answer filed by Respondents on or about: October 9, 2020.
Ronin Capital signed the Submission Agreement: October 9, 2020.
Stafford III signed the Submission Agreement: October 9, 2020.
Stafford, Jr. signed the Submission Agreement: October 9, 2020.

CASE SUMMARY

In the Amended Statement of Claim, Claimants asserted the following causes of action: breach of contract; breach of implied contract of good faith and fair dealing; quantum meruit; violations of the New York Labor Law; violations of the Illinois Wage Payment and Collection Act; unjust enrichment; promissory estoppel; and violations of the Delaware Limited Liability Act.

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, Claimants requested:

1. Compensatory damages in the amount of \$847,253.58, plus interest, or such other or greater sum as may be proved at the hearing;
2. Liquidated damages as provided under the New York Labor Law and Illinois Wage Payment and Collection Act;
3. All costs and fees including reasonable attorney's fees, as provided under the New York Labor Law and the Illinois Wage Payment and Collection Act; and
4. An injunction against Ronin Capital prohibiting the Company from making any distributions to its limited liability company members before it makes distributions to Claimants of the full amount due and owing to them, or otherwise violating the Delaware Limited Liability Company Act; and
5. Such other and further relief as deemed just and proper.

In the Joint Statement of Answer, Respondents requested that Claimants' claims be denied.

OTHER ISSUES CONSIDERED AND DECIDED

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

A Statement of Claim was filed on August 27, 2020. It was not served on Respondents and not considered by the Panel.

On November 9, 2021, Respondents filed a Motion to for Virtual Hearing. Claimants did not oppose the motion. On December 3, 2021, the Panel granted the Motion for Virtual Hearings.

On December 30, 2021, Claimants filed a notice of voluntary dismissal dismissing Stafford Jr. as a Respondent.

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 Ronin Capital is liable for and shall pay to Claimants the sum of \$500,000.00 in compensatory damages.
2. Respondent Ronin Capital is liable for and shall pay to Claimants interest on the above-stated sum at the rate set by Illinois State for judgment of monetary damages, from August 27, 2020 until the award is paid in full.
3. Claimant's claims against Respondent Stafford III are denied.
4. Any and all claims for relief not specifically addressed herein, including any requests for injunction and 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 = \$ 1,725.00

**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 that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Ronin Capital, LLC is assessed the following:

Member Surcharge = \$ 2,475.00

Member Process Fee = \$ 5,075.00

Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

May 10, 2021, cancellation requested by the parties = \$ 100.00

August 3, 2021, cancellation requested by the parties = \$ 100.00

Total Late Pre-Hearing Cancellation Fees = \$ 200.00

The Panel has assessed \$100.00 of the late pre-hearing cancellation fees jointly and severally to Claimants.

The Panel has assessed \$100.00 of the late pre-hearing cancellation fees jointly and severally to Respondents.

Postponement Fees

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

October 4-7, 2021, postponement requested by the parties = \$ 1,300.00

Total Postponement Fees = \$ 1,300.00

The Panel has assessed \$650.00 of the postponement fees jointly and severally to Claimants.

The Panel has assessed \$650.00 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 Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) pre-hearing sessions with a single Arbitrator @ \$450.00/session = \$ 900.00

Pre-Hearing Conferences: August 19, 2021 1 session
October 18, 2021 1 session

One (1) pre-hearing session with the Panel @ \$1,300.00/session = \$ 1,300.00

Pre-Hearing Conference: January 7, 2021 1 session

Seven (7) hearing sessions @ \$1,300.00/session = \$ 9,100.00

Hearings: January 12, 2022 2 sessions
January 13, 2022 2 sessions
January 14, 2022 2 sessions
January 20, 2022 1 session

Total Hearing Session Fees = \$ 11,300.00

The Panel has assessed \$5,650.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$5,650.00 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

Richard W. Vallario	-	Public Arbitrator, Presiding Chairperson
Melنيا Annero Cordis	-	Public Arbitrator
Joshua Mark Zucker	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Concurring Arbitrators' Signatures

Richard W. Vallario

Richard W. Vallario
Public Arbitrator, Presiding Chairperson

02/06/2022

Signature Date

Melنيا Annero Cordis

Melنيا Annero Cordis
Public Arbitrator

02/04/2022

Signature Date

Joshua Mark Zucker

Joshua Mark Zucker
Non-Public Arbitrator

02/04/2022

Signature Date

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February 07, 2022

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