

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Jamie Taylor

Case Number: 20-03279

vs.

Respondent
Concorde Investment Services, LLC

Hearing Site: Detroit, Michigan

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.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Jamie Taylor (“Claimant”): D. Daxton White, Esq., The White Law Group, LLC, Chicago, Illinois.*

For Respondent Concorde Investment Services, LLC (“Respondent”): Scott Holcomb, Esq., Holcomb + Ward, LLP, Atlanta, Georgia.

*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: September 17, 2020.
Claimant signed the Submission Agreement: September 16, 2020.

Statement of Answer filed on or about: December 11, 2020.
Respondent signed the Submission Agreement: December 7, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: common law fraud, breach of fiduciary duty, negligent failure to supervise, and negligence. The causes of action relate to Claimant's allegations that Respondent failed to perform the necessary due diligence; failed to select investments suitable for Claimant; failed to provide Claimant with appropriate diversification; and over-concentrated Claimant's assets in high-risk and complicated investments. The involved investments included Phillips Edison & Company, Moody National REIT II, The Parking REIT, Inc., and Cole Credit Property Trust IV.

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 actual damages in an amount according to proof, but approximately between \$100,000.00 and \$500,000.00; interest and all of Claimant's costs, expenses, and disbursements associated with the filing of this claim, including expert witness fees; and such other relief as the Panel deems just and proper.

In the Statement of Answer, Respondent requested denial of all claims, that all costs and fees be assessed against Claimant, and expungement, on behalf of Unnamed Party James P. Maher ("Maher"), of all references to this matter from Central Registration Depository ("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 October 5, 2021, Claimant filed correspondence that the parties had settled this matter and that this matter could be taken off the calendar. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

The Panel conducted a recorded hearing by videoconference on December 22, 2021, so the parties could present oral argument and evidence on Respondent's request for expungement on behalf of Maher.

Neither Claimant nor Claimant's counsel participated in the expungement hearing.

The Panel reviewed Maher's BrokerCheck® Report. The Panel noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrence 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 Maher did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Maher's testimony and the documentary evidence introduced; including applications and notes with Claimant's signatures and Maher's handwritten notes reflecting conversations with Claimant about the investments at issue.

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. The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Number 2092640) from registration records maintained by the CRD for Unnamed Party James Patrick Maher (CRD Number 4641855) with the understanding that, pursuant to Notice to Members 04-16, Unnamed Party James Patrick Maher 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:

The evidence overwhelmingly showed that Claimant was engaged in the decision to purchase the REIT alternative investments. As part of the process of purchasing the investments, the documentary evidence showed Claimant attested to the fact that she understood the level of risk she was taking on with the investment as well as their illiquid nature. In addition, the evidence showed that any losses from the REITs were only partial, but overall, the investment generated significant returns and still continues to do so, as Maher testified that Claimant still currently owns the investments with another brokerage. Also, the losses that were alleged in Claimant's complaint against Respondent were not realized. The facts presented in the hearing did not show a pattern or any action on the part of Maher to defraud or attempt to defraud Claimant into purchasing the REIT. The evidence showed that Claimant consented to purchase with a full understanding of their level of risk and reward and that they were an appropriate investment product for generating fixed income. In addition, it is significant to the Panel that the Claimant did not participate in the expungement hearing to challenge the sanction on Maher's BrokerCheck® Report. This, coupled with the fact that the underlying arbitration case was settled for a fraction of the amount that she alleged in damages, was compelling in the Panel's decision. The Panel concluded that the original complaint likely did not have merit and therefore the sanction against Mr. Maher does not

either. Also noteworthy is the fact that Respondent did not ask Maher to indemnify them for their legal costs when they were contractually entitled to do so as per their agreement with Maher as a 1099 independent contractor with them.

2. 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
Expungement Filing Fee	= \$	1,575.00

**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 is assessed the following:

Member Surcharge	= \$	1,900.00
Member Process Fee	= \$	3,750.00

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 a single Arbitrator @ \$450.00/session	= \$	900.00
Pre-Hearing Conferences: April 28, 2021	1 session	
May 11, 2021	1 session	
Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	2,250.00
Pre-Hearing Conferences: February 2, 2021	1 session	
November 17, 2021	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	= \$	4,275.00

The Panel has assessed \$1,012.50 of the hearing session fees to Claimant.

The Panel has assessed \$3,262.50 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Suzanne L. Ulicny	-	Public Arbitrator, Presiding Chairperson
Michele Renee Zinn	-	Public Arbitrator
Michael James Whinihan	-	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

Suzanne L. Ulicny

Suzanne L. Ulicny
Public Arbitrator, Presiding Chairperson

12/30/2021

Signature Date

Michele Renee Zinn

Michele Renee Zinn
Public Arbitrator

12/30/2021

Signature Date

Michael James Whinihan

Michael James Whinihan
Public Arbitrator

12/31/2021

Signature Date

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December 31, 2021

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