

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

William E. Bump
Chicago Houston Partners, LLC
Stanley Cohen
Paul L. Cohen
Ellen B. Friedman
John A. Fils Estate
JonMar Partnership
Karen J. Fils Estate
Katherine Looper
Looper Family Trust
NNN Congress Center 10, LLC
NNN Congress Center 13, LLC
NNN Congress Center 14, LLC
NNN Congress Center 15, LLC
NNN Congress Center 16, LLC
NNN Congress Center 3, LLC
NNN Congress Center 4, LLC
NNN Congress Center 7, LLC
NNN Congress Center Member 10, LLC
NNN Congress Center Member 13, LLC
NNN Congress Center Member 14, LLC
NNN Congress Center Member 15, LLC
NNN Congress Center Member 16, LLC
NNN Congress Center Member 3, LLC
NNN Congress Center Member 4, LLC
NNN Congress Center Member 7, LLC
Paul L. Cohen POA for Stanley Cohen
Thomas F. Scheidt
Stanley Cohen Estate
George Vrakas

Case Number: 18-03614

vs.

Respondents

Primex
Mollie Lynn Boyce-Field
Wilfredo Felix, Jr.
William Fitzgerald White

Hearing Site: Los Angeles, California

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: Customers vs. Member and Associated Persons

This case was decided by a majority-public panel.

The evidentiary hearing was conducted partially by videoconference.

REPRESENTATION OF PARTIES

For Claimants William E. Bump (“Bump”), Chicago Houston Partners, LLC (“Chicago Houston Partners”), Stanley Cohen (“Stanley Cohen”), Paul L. Cohen (“Paul Cohen”), Ellen B. Friedman (“Friedman”), John A. Fils Estate (“John Fils Estate”); JonMar Partnership (“JonMar”), Karen J. Fils Estate (“Karen Fils Estate”); Katherine Looper (“Katherine Looper”), Looper Family Trust (“Looper Family Trust”), NNN Congress Center 10, LLC (“Congress 10”), NNN Congress Center 13, LLC (“Congress 13”), NNN Congress Center 14, LLC (“Congress 14”), NNN Congress Center 15, LLC (“Congress 15”), NNN Congress Center 16, LLC (“Congress 16”), NNN Congress Center 3, LLC (“Congress 3”), NNN Congress Center 4, LLC (“Congress 4”), NNN Congress Center 7, LLC (“Congress 7”), NNN Congress Center Member 10, LLC (“Congress Member 10”), NNN Congress Center Member 13, LLC (“Congress Member 13”), NNN Congress Center Member 14, LLC (“Congress Member 14”), NNN Congress Center Member 15, LLC (“Congress Member 15”), NNN Congress Center Member 16, LLC (“Congress Member 16”), NNN Congress Center Member 3, LLC (“Congress Member 3”), NNN Congress Center Member 4, LLC (“Congress Member 4”), NNN Congress Center Member 7, LLC (“Congress Member 7”), Paul L. Cohen POA for Stanley Cohen (“Paul Cohen POA for Stanley Cohen”), Thomas F. Scheidt (“Scheidt”), Stanley Cohen Estate (“Stanley Cohen Estate”), and George Vrakas (“Vrakas”): Kenneth J. Catanzarite, Esq., Catanzarite Law Corporation, Anaheim, California.

Hereinafter, Bump, Chicago Houston Partners, Stanley Cohen, Paul Cohen, Friedman, John Fils Estate, JonMar, Karen Fils Estate, Katherine Looper, Looper Family Trust, Congress 10, Congress 13, Congress 14, Congress 15, Congress 16, Congress 3, Congress 4, Congress 7, Congress Member 10, Congress Member 13, Congress Member 14, Congress Member 15, Congress Member 16, Congress Member 3, Congress Member 4, Congress Member 7, Paul Cohen POA for Stanley Cohen, Scheidt, Stanley Cohen Estate and Vrakas are collectively referred to as “Claimants”.

For Respondent Primex (“Primex”): Wilfredo Felix, Jr., Primex, Bronx, New York.

For Respondent William Fitzgerald White (“White”): Adam Kent, Esq., Chatsworth, California.

Respondent Mollie Lynn Boyce-Field (“Boyce-Field”) appeared pro se.

Respondent Wilfredo Felix, Jr. (“Felix”) appeared pro se.

Hereinafter, Primex, White, Boyce-Field and Felix are collectively referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: October 17, 2018.

Amended Statement of Claim filed on or about: January 7, 2019.

Second Amended Statement of Claim filed on or about: August 9, 2019.

Bump, Paul Cohen, Stanley Cohen, Friedman, Katherine Looper, Scheidt and Vrakas signed the Submission Agreement: January 18, 2019.

Chicago Houston Partners, Jon Fils Estate, JonMar, Looper Family Trust, Congress 10, Congress 13, Congress 14, Congress 15, Congress 16, Congress 3, Congress 4, Congress 7, Congress Member 10, Congress Member 13, Congress Member 14, Congress Member 15, Congress Member 16, Congress Member 3, Congress Member 4, Congress Member 7 and Paul Cohen POA for Stanley Cohen signed the Submission Agreement: October 25, 2018. Karen Fils Estate and Stanley Cohen Estate signed the Submission Agreement: August 21, 2019.

Statement of Answer filed by Respondents on or about: February 18, 2019.

Primex and Felix signed the Submission Agreement: February 21, 2019.

Boyce-Field and White signed the Submission Agreement: February 27, 2019.

CASE SUMMARY

In the Statement of Claim, as amended, Claimants asserted the following causes of action: breach of standards of reasonable basis suitability (NASD Rule 2310 and FINRA Rule 2310(b)); just and equitable principles of trade (NASD Rule 2010); failure to conduct annual account reviews (NASD 3010(a) and (c)(1)); fraud; misleading statements; misleading omissions of material information (NASD Rule 2210(d)(1)); just and equitable principles of trade (FINRA Rule 2010); breach of fiduciary duty; negligent misrepresentation; negligence; breach of contract; breach of the covenant of good faith and fair dealing; failure to supervise (NASD Rules 3010, 3012, 2110 and industry standards of practice); negligent infliction of emotional distress; and intentional infliction of emotional distress. The causes of action relate to tenant in common interests in the Congress Center, LP Securities, and The American Recovery Property Trust, Inc. ("ARPT"), which was organized as a real estate investment trust.

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, as amended, Claimants requested:

1. For the breach of standards of reasonable basis suitability (NASD Rule 2310 and FINRA Rule 2310(b)); just and equitable principles of trade (NASD Rule 2010); failure to conduct annual account reviews (NASD 3010(a) and (c)(1)); fraud; misleading statements; misleading omissions of material information (NASD Rule 2210(d)(1)); just and equitable principles of trade (FINRA Rule 2010); and breach of fiduciary duty claims:
 - a. compensatory damages;
 - b. general damages according to proof;
 - c. special damages according to proof; and
 - d. exemplary and punitive damages according to proof;
2. For the negligent misrepresentation and negligence claims:
 - a. compensatory damages;

- b. general damages according to proof; and
 - c. special damages according to proof;
3. For the breach of contract and breach of the covenant of good faith and fair dealing claims:
 - a. compensatory damages;
 - b. general and special damages; and
 - c. consequential and incidental damages;
4. For the failure to supervise (NASD Rules 3010, 3012, 2110 and industry standards of practice) claim:
 - a. compensatory damages;
 - b. general damages according to proof;
 - c. special damages according to proof; and
 - d. exemplary and punitive damages according to proof;
5. For the negligent infliction of emotional distress and intentional infliction of emotional distress claims:
 - a. compensatory damages;
 - b. special damages; and
 - c. consequential and incidental damages;
6. For the intentional infliction of emotional distress claim:
 - a. exemplary and punitive damages; and
7. On all claims:
 - a. compensation for the reasonably necessary loss of time, attorneys' fees, and other expenditures suffered or incurred under the "tort of another" doctrine as required to act in the protection of Claimants' interests by bringing this action in accordance with *Prentice v. North Am. Title Guaranty Corp., Alameda Division* (1963) 59 Cal.2d 618; *Electrical Electronic Control, Inc. v. Los Angeles Unified School Dist.* (2005) 126 Cal.App.4th 601;
 - b. costs of the arbitration incurred;
 - c. statutory damages;
 - d. prejudgment and post judgment interest, according to law; and
 - e. such other and further relief as the Panel may deem just and proper.

In the Statement of Answer, Respondents requested:

1. Denial of Claimants' claims in their entirety;
2. Expungement of Respondents' Central Registration Depository ("CRD") records; and
3. Such other relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

On July 22, 2019, Claimants filed a Motion to Amend the Amended Statement of Claim. On August 1, 2019, Respondents filed their opposition to Claimants' motion. On August 6, 2019, Claimants filed their reply in support of their motion. By Order dated August 14, 2019, the Panel granted Claimants' motion.

On August 21, 2019, Boyce-Field filed a Motion to Dismiss pursuant to Rule 12504 of the Code of Arbitration Procedure ("Code"). On October 7, 2019, Claimants filed a response opposing the

Motion to Dismiss. On October 14, 2019, Boyce-Field filed a reply in support of her Motion to Dismiss. On October 17, 2019, the Panel heard oral arguments on the Motion to Dismiss. By Order dated October 18, 2019, the Panel denied the Motion to Dismiss, but noted that Boyce-Field may reassert her Motion to Dismiss at the evidentiary hearing.

During the evidentiary hearing in October 2019, Boyce-Field made an oral Motion to Dismiss at the conclusion of Claimants' case-in-chief, but after Claimants' acknowledged that they had no further evidence to produce regarding Boyce-Field's involvement in the subject matter of the claim. The Panel granted Boyce-Field's Motion to Dismiss on the grounds that the testimony of Claimants' witnesses showed that Boyce-Field had no involvement in the matter to the claim. The Panel found that Boyce-Field's involvement was limited to answering a telephone call from one claimant to White, asking for tax documents well after the issuance of the limited partnership interests.

On June 10, 2021, Claimants and White entered a stipulation, dismissing White from the case without prejudice.

AWARD

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

1. Primex and Felix are jointly and severally liable for and shall pay to Looper the sum of \$133,100.00 in compensatory damages.
2. Primex and Felix are jointly and severally liable for and shall pay to JonMar the sum of \$86,123.00 in compensatory damages.
3. Primex and Felix are jointly and severally liable for and shall pay to Bump, as representative of the John Fils Estate and Karen Fils Estate, the sum of \$109,612.00 in compensatory damages.
4. Primex and Felix are jointly and severally liable for and shall pay to Paul Cohen the sum of \$106,041.00 in compensatory damages.
5. Primex and Felix are jointly and severally liable for and shall pay to the Stanley Cohen Estate the sum of \$106,041.00 in compensatory damages.
6. Primex and Felix are jointly and severally liable for and shall pay to Scheidt the sum of \$86,123.00 in compensatory damages.
7. Primex and Felix are jointly and severally liable for and shall pay to Friedman the sum of \$86,123.00 in compensatory damages.
8. Primex and Felix are jointly and severally liable for and shall pay to Chicago Houston Partners the sum of \$321,007.00 in compensatory damages.
9. Primex and Felix are jointly and severally liable for and shall pay to Looper, JonMar, the John Fils Estate, the Karen Fils Estate, Paul Cohen, the Stanley Cohen Estate, Scheidt,

Friedman and Chicago Houston Partners interest on the above-stated sum at the rate of 7% per annum from February 1, 2022 until paid in full.

10. Respondents did not pursue their requests for expungement. Accordingly, the Panel made no determination regarding Respondents' expungement requests.

11. Any and all claims for relief not specifically addressed herein, including any requests for punitive 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	= \$	1,575.00
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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, Primex is assessed the following:

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

Postponement Fees

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

August 19-20 and August 21-23 2019, postponement requested by Respondents	= \$	1,125.00
February 17-21, 2020, postponement requested by parties	= \$	1,125.00
July 13-16, 2021 and July 19-23, 2021, postponement requested by Felix	= \$	1,125.00

Total Postponement Fees	= \$	3,375.00
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The Panel has assessed the total postponement fees jointly and severally to Primex and Felix.

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

February 17-21, 2020, cancellation requested by parties	= \$	1,800.00
July 13-16, 2021 and July 19-23, 2021, postponement requested by Felix	= \$	1,800.00

Total Last-Minute Cancellation Fees	= \$	3,600.00
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The Panel has assessed the total last-minute cancellation fees jointly and severally to Primex and Felix.

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 200.00

Respondents submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 200.00

The Panel has assessed the total discovery-related motion fees jointly and severally to Primex and Felix.

Contested Motion for Issuance of Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on contested motion for the issuance of a subpoena with one Arbitrator @ \$250.00 = \$ 250.00

Total Contested Motion for Issuance of Subpoena Fees = \$ 250.00

The Panel has assessed the total contested motion for issuance of subpoena fees jointly and severally to Primex and Felix.

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:

Three (3) pre-hearing sessions with a single Arbitrator @ \$450.00/session = \$ 1,350.00
Pre-Hearing Conferences: June 27, 2019 1 session
July 2, 2019 1 session
August 20, 2019 1 session

Nine (9) pre-hearing sessions with the Panel @ \$1,125.00/session = \$ 10,125.00
Pre-Hearing Conferences: February 13, 2019 1 session
February 27, 2019 1 session
July 17, 2019 1 session
October 17, 2019 1 session
May 14, 2020 1 session
January 21, 2021 1 session
June 10, 2021 1 session
August 9, 2021 1 session
September 13, 2021 1 session

Twenty (20) hearing sessions @ \$1,125.00/session = \$ 22,500.00

Hearings:	October 21, 2019	2 sessions
	October 22, 2019	2 sessions
	October 23, 2019	2 sessions
	October 24, 2019	2 sessions
	October 25, 2019	2 sessions
	July 12, 2021	1 session
	January 10, 2022	1 session
	January 11, 2022	2 sessions
	January 12, 2022	2 sessions
	January 18, 2022	2 sessions
	January 19, 2022	1 session
	January 20, 2022	1 session

Total Hearing Session Fees	= \$ 33,975.00
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The Panel has assessed the total hearing session fees jointly and severally to Primex and Felix.

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

ARBITRATION PANEL

Kenneth E. Owen	-	Public Arbitrator, Presiding Chairperson
John R Sustersic	-	Public Arbitrator
Daniel R. Brush	-	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

Kenneth E. Owen

Kenneth E. Owen
Public Arbitrator, Presiding Chairperson

03/06/2022

Signature Date

John R Sustersic

John R Sustersic
Public Arbitrator

03/03/2022

Signature Date

Daniel R. Brush

Daniel R. Brush
Non-Public Arbitrator

03/03/2022

Signature Date

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.

March 07, 2022

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