

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
George Stelljes

Case Number: 20-01561

vs.

Respondents
Fortune Financial Services, Inc.
Forrest Jones
Christopher Knight Lopez
David Barber
Randolph Gruber
Knight Nguyen Investments
Jayson Lopez
Errol McCalla, Jr.
Ping An Financial Services PTE LTD
Carlos Vargas

Hearing Site: Providence, Rhode Island

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, Associated Persons, and Non-Members

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant George Stelljes: Jason E. Tauches, Esq., PiltserCowan Law, LLC, Boston, Massachusetts.

For Respondent Fortune Financial Services, Inc.: Karl E. May, Esq., Frantz Ward LLP, Cleveland, Ohio.

Respondent Forrest Jones appeared pro se.

Respondent Christopher Knight Lopez did not enter an appearance in this matter.

Respondent David Barber did not enter an appearance in this matter.

Respondent Randolph Gruber did not enter an appearance in this matter.

Respondent Jayson Lopez did not enter an appearance in this matter.

Respondent Errol McCalla, Jr. did not enter an appearance in this matter.

Respondent Ping An Financial Services PTE LTD did not enter an appearance in this matter.

Respondent Carlos Vargas did not enter an appearance in this matter.

Respondent Knight Nguyen Investments did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: May 15, 2020.

Amended Statement of Claim filed on or about: July 31, 2020.

Second Amended Statement of Claim filed on or about: September 3, 2020.

George Stelljes signed the Submission Agreement: May 12, 2020.

Statement of Answer filed by Respondent Fortune Financial Services, Inc. on or about: July 10, 2020.

Answer to Amended Statement of Claim filed by Respondent Fortune Financial Services, Inc. on or about: August 7, 2020.

Fortune Financial Services, Inc. signed the Submission Agreement: July 10, 2020.

Statement of Answer filed by Respondent Forrest Jones: July 20, 2020.

Answer to Amended Statement of Claim filed by Respondent Forrest Jones: August 19, 2020.

Forrest Jones signed the Submission Agreement: July 4, 2020.

Christopher Knight Lopez did not file a Statement of Answer or sign the Submission Agreement.

David Barber did not file a Statement of Answer or sign the Submission Agreement.

Randolph Gruber did not file a Statement of Answer or sign the Submission Agreement.

Knight Nguyen Investments did not file a Statement of Answer or sign the Submission Agreement.

Jayson Lopez did not file a Statement of Answer or sign the Submission Agreement.

Errol McCalla, Jr. did not file a Statement of Answer or sign the Submission Agreement.

Ping An Financial Services PTE LTD did not file a Statement of Answer or sign the Submission Agreement.

Carlos Vargas did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, as amended, Claimant asserted the following causes of action: unsuitable investments; misrepresentation; breach of fiduciary duty; breach of contract; fraud; failure to supervise; and promissory estoppel. The causes of action relate to investments in Club EVI ("EVI"), and Resorts Advocacy Group ("RAG") real estate investment trusts ("REIT").

Unless specifically admitted in the Statement of Answer, Respondent Fortune Financial Services, Inc. denied the allegations made in the Statement of Claim, as amended, and asserted various affirmative defenses.

Unless specifically admitted in the Statement of Answer, Respondent Forrest Jones denied the allegations made in the Statement of Claim, as amended, and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimant requested compensatory damages totaling at least \$335,000.00, interest, costs, specific performance, and attorneys' fees.

In the Statement of Answer to the Amended Statement of Claim, Respondent Fortune Financial Services, Inc. requested an award dismissing the Amended Statement of Claim, and assessing the costs, filing fees, hearing fees, and all assessments of this proceeding to Claimant.

In the Statement of Answer to the Amended Statement of Claim, Respondent Forrest Jones requested attorneys' fees, an award dismissing the Amended Statement of Claim, and assessing the costs, filing fees, hearing fees, and all assessments of this proceeding to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Fortune Financial Services, Inc. did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondent Christopher Knight Lopez did not file a Statement of Answer or a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") is bound by the determination of the Panel on all issues submitted.

Respondents David Barber, Knight Nguyen Investments, Jayson Lopez, Randolph Gruber, Errol McCalla, Jr., Carlos Vargas, and Ping An Financial Services PTE LTD are not members or associated persons of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to the claims against Respondents David Barber, Knight

Nguyen Investments, Jayson Lopez, Randolph Gruber, Errol McCalla, Jr., Carlos Vargas, and Ping An Financial Services PTE LTD.

On June 30, 2020, Claimant filed a notice of dismissal without prejudice of Respondent David Barber.

On September 3, 2020, Claimant filed a Motion to Amend the Statement of Claim to add parties (MTA). On September 14, 2020, Respondents Fortune Financial Services, Inc. and Forrest Jones filed oppositions to the MTA. On October 27, 2020, Non-Party Wells Fargo Clearing Services, LLC and Carlos Vargas filed a joint opposition to the MTA. On November 6, 2020, Claimant filed a reply. On January 27, 2021, the Panel granted Claimant's MTA.

On December 1, 2020, Claimant filed a Motion for Discovery Sanctions against Respondent Forrest Jones. Respondent Forrest Jones did not file a response to the motion. By Order dated January 19, 2021, the Panel reserved decision on Claimant's Motion for Sanctions.

On March 9, 2021, Claimant filed a Renewed Motion for Sanctions Against Respondent Forrest Jones. On March 23, 2021, Respondent Forrest Jones filed an opposition to Claimant's motion. On March 24, 2021, Claimant filed a reply. By Order dated April 26, 2021, the Panel denied Claimant's Renewed Motion for Sanctions

Respondent Forrest Jones did not appear at the evidentiary hearing. Upon review of the file, the Panel determined that Respondent Forrest Jones received due notice of the hearing and that arbitration of the matter would proceed without Respondent Forrest Jones present, in accordance with the Code.

On January 11, 2022, pursuant to a signed settlement agreement between Respondent Fortune Financial Services, Inc. ("Fortune") and Claimant, Claimant stipulated to the dismissal with prejudice of Respondent Fortune. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim, as amended, relating to Respondent Fortune.

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 Forrest Jones is liable for and shall pay to Claimant the sum of \$200,000.00 in compensatory damages plus interest at the rate of 3% per annum from June 21, 2018, until the award is paid in full.
2. Any and all claims for relief not specifically addressed herein 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 =\$ 1,425.00

**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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Fortune Financial Services, Inc. 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 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 the Panel @ \$1,125.00/session =\$ 3,375.00

Pre-Hearing Conferences: September 2, 2020 1 session

January 14, 2021 1 session

April 26, 2021 1 session

One (1) hearing session @ \$1,125.00/session =\$ 1,125.00

Hearings: January 18, 2022 1 session

Total Hearing Session Fees =\$ 4,500.00

The Panel has assessed the total hearing session fees to Respondent Forrest Jones.

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

ARBITRATION PANEL

Robert E. Anderson	-	Public Arbitrator, Presiding Chairperson
Henry R. Oppenheimer	-	Public Arbitrator
Robert L. Chase	-	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

Robert E. Anderson

Robert E. Anderson
Public Arbitrator, Presiding Chairperson

02/23/2022

Signature Date

Henry R. Oppenheimer

Henry R. Oppenheimer
Public Arbitrator

02/23/2022

Signature Date

Robert L. Chase

Robert L. Chase
Public Arbitrator

02/24/2022

Signature Date

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February 24, 2022

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