

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Christ Baltas
Michael Chakos
Vincent Mangone

Case Number: 20-01635

vs.

Respondents

Worden Capital Management, LLC
Jamie Worden

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 Person

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Christ Baltas, Michael Chakos, and Vincent Mangone: Liam O'Brien, Esq., McCormick & O'Brien, LLP, New York, New York.

For Respondents Worden Capital Management, LLC, and Jamie Worden: William M. Dailey, Esq., Dailey Law Group, Rye, New York.

CASE INFORMATION

Statement of Claim filed on or about: May 22, 2020.

Christ Baltas signed the Submission Agreement: May 21, 2020.

Michael Chakos signed the Submission Agreement: May 21, 2020.

Vincent Mangone signed the Submission Agreement: May 21, 2020.

Joint Statement of Answer filed by Respondents on or about: July 27, 2020.

Amended Joint Statement of Answer filed by Respondents on or about: April 8, 2021.

Worden Capital Management, LLC did not sign the Submission Agreement.

Jamie Worden did not sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: breach of contract, breach of the implied covenant of good faith and fair dealing, tortious interference with contracts, and unjust enrichment.

Unless specifically admitted in the Amended Joint 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 compensatory damages, punitive damages, statutory interest, and costs and attorney's fees.

In the Amended Joint Statement of Answer, Respondents requested that all claims against Respondents be denied; all costs associated with defending against these claims be assessed against Claimants; and an award for any and all other and further relief as the Panel deems just and equitable.

At the close of the hearing, Claimants requested compensatory damages in the amount of \$5,490,000 and New York statutory interest.

At the close of the hearing, Respondents requested sanctions of an unspecified amount.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties and considered all the evidence proffered at the evidentiary hearing.

Respondents did not file properly executed Submission Agreements but are required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, appeared, and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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. Respondents are jointly and severally liable for and shall pay to Claimant Christ Baltas the sum of \$100,000.00 in compensatory damages.
2. Respondents are jointly and severally liable for and shall pay to Claimant Michael Chakos the sum of \$150,000.00 in compensatory damages.

3. Respondents are jointly and severally liable for and shall pay to Claimant Vincent Mangone the sum of \$20,000.00 in compensatory damages.
4. Respondents are jointly and severally liable for and shall pay to each Claimant interest on the above-stated sums at the rate of 5% per annum from March 9, 2020 through and including date of full payment.
5. Any and all claims for relief not specifically addressed herein, including, but not limited to, any requests for punitive damages, sanctions, 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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent Worden Capital Management, LLC is assessed the following:

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

Discovery-Related Motion Fees

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

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

Total Discovery-Related Motion Fees	=\$ 200.00
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The Panel has assessed the total discovery-related motion fees to Respondent Worden Capital Management LLC.

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:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	=\$ 450.00
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Pre-Hearing Conference: March 8, 2021	1 session	
Three (3) pre-hearing sessions with the Panel @ \$1,125.00/session		= \$ 3,375.00
Pre-Hearing Conferences: September 21, 2020	1 session	
December 30, 2020	1 session	
February 11, 2021	1 session	
Fifteen (15) hearing sessions @ \$1,125.00/session		= \$ 16,875.00
Hearings: March 16, 2021	2 sessions	
March 17, 2021	2 sessions	
March 18, 2021	2 sessions	
March 19, 2021	2 sessions	
April 6, 2021	2 sessions	
April 7, 2021	2 sessions	
April 8, 2021	2 sessions	
May 28, 2021	1 session	
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Total Hearing Session Fees		= \$ 20,700.00

The Panel has assessed the total hearing session fees to Respondent Worden Capital Management LLC.

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

ARBITRATION PANEL

Robert J. Kheel	-	Public Arbitrator, Presiding Chairperson
Harvey Barrison	-	Public Arbitrator
Jerome Bernard McDevitt	-	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

Robert J. Kheel

Robert J. Kheel
Public Arbitrator, Presiding Chairperson

06/07/2021

Signature Date

Harvey Barrison

Harvey Barrison
Public Arbitrator

06/07/2021

Signature Date

Jerome Bernard McDevitt

Jerome Bernard McDevitt
Non-Public Arbitrator

06/07/2021

Signature Date

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June 07, 2021

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