

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Edward Rupertus

Case Number: 21-01007

vs.

Respondents
Worden Capital Management LLC
Jamie John Worden
Gregory Patrick Bodkin
Brad R. Zaglin
Jason Neil Goldberg
Christ Elias Baltas
Vincent Antonio Mangone
Michael Andrew Chakos

Hearing Site: Philadelphia, Pennsylvania

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 and Associated Persons

REPRESENTATION OF PARTIES

For Claimant Edward Rupertus: Robert Kerrigan, Esq., Kelly & Grossman, LLP, West Islip, New York.

For Respondents Worden Capital Management LLC (“Worden Capital”), Jamie John Worden (“Worden”), Gregory Patrick Bodkin (“Bodkin”), and Brad R. Zaglin (“Zaglin”): Anthony Varbero, Esq., Mure Law, Brooklyn, New York.

For Respondent Jason Neil Goldberg (“Goldberg”): Michael Utila, Esq., Michael Utila Esq., Brooklyn, New York.

Respondent Christ Elias Baltas (“Baltas”) did not enter an appearance in this matter.

Respondent Vincent Antonio Mangone (“Mangone”) appeared pro se.

Respondent Michael Andrew Chakos (“Chakos”) appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: April 15, 2021.

Edward Rupertus signed the Submission Agreement: April 15, 2021.

Respondent Worden Capital did not submit a Statement of Answer or sign the Submission Agreement.

Respondent Worden did not submit a Statement of Answer or sign the Submission Agreement.

Respondent Bodkin did not submit a Statement of Answer or sign the Submission Agreement.

Respondent Zaglin did not submit a Statement of Answer or sign the Submission Agreement.

Statement of Answer and Counterclaim filed by Respondent Goldberg on or about: May 24, 2021.

Jason Neil Goldberg signed the Submission Agreement: May 24, 2021.

Statement of Answer filed by Respondent Chakos on or about: July 21, 2021.

Chakos did not sign the Submission Agreement.

Statement of Answer filed by Respondent Mangone on or about: June 14, 2021.

Amended Statement of Answer filed by Respondent Mangone on or about: June 25, 2021.

Mangone signed the Submission Agreement: July 21, 2021.

Respondent Baltas did not submit a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: fraudulent misrepresentation and omission of material facts; unsuitable recommendations and trading strategy; breach of standards of commercial honor and principles of trade (FINRA Rule 2010); and lack of reasonable supervision (FINRA Rule 3010). The causes of action relate to various securities.

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

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

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

In the Counterclaim, Respondent Goldberg asserted the following causes of action: fraud; malicious prosecution; tortious interference with prospective economic advantage; and tortious interference with existing contractual relations.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$41,919.67; interest; disgorgement of commissions, fees, and margin interest in the amount of \$32,588.05; punitive damages in the amount of \$209,598.35; attorneys' fees; reimbursement of costs associated with the filing of this claim; a referral to FINRA's Department of Enforcement; and any and all further relief as deemed appropriate by the Arbitrator.

In the Statement of Answer and Counterclaim, Respondent Goldberg requested that the Statement of Claim be denied in its entirety; compensatory damages in the amount of \$50,000.00; punitive damages; attorney's' fees and costs; and such other and further relief as may be deemed just and proper.

In the Statement of Answer, Respondent Chakos requested that the Statement of Claim be denied in its entirety.

In the Statement of Answer, Respondent Mangone requested that the Statement of Claim be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

Respondent Chakos 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 Arbitrator on all issues submitted.

Respondents Worden Capital, Baltas, Bodkin, Worden, and Zaglin did not file properly executed Submission Agreements but are required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and are bound by the determination of the Arbitrator on all issues submitted.

By correspondence dated June 16, 2021, Claimant notified FINRA Dispute Resolution Services that he has settled his claims against Respondents Worden Capital, Worden, Bodkin, Zaglin, and Goldberg, and dismissed them from this matter with prejudice. Respondent Goldberg settled his Counterclaim against Claimant pursuant to a Settlement Agreement dated May 26, 2021.

The Amended Statement of Answer filed by Respondent Mangone on July 21, 2021 was not sent to or considered by the Arbitrator.

By correspondence dated August 25, 2021, Claimant notified FINRA Dispute Resolution Services that he has settled his claims against Respondents Chakos and Mangone, and dismissed them from this matter with prejudice.

Therefore, the Panel made no determination with respect to the claims against Respondents Worden Capital, Worden, Bodkin, Zaglin, Goldberg, Chakos and Mangone; as well Respondent Goldberg's Counterclaim.

On September 23, 2021, Claimant filed a Motion for default proceeding against Respondent Baltas pursuant to Rule 12801 of the Code of Arbitration Procedure. Claimant requested compensatory damages in the amount of \$74,507.72; costs in the amount of \$2,500.00; punitive damages; and for such other relief as the Arbitrator deems appropriate under the circumstances.

The Arbitrator determined that Respondent Baltas was served with the Claim Notification letter dated April 27, 2021 by regular mail and certified mail, as evidenced by the signed signature cards on file/USPS tracking information available online, and the Overdue Notice (including the Statement of Claim) dated June 17, 2021 by regular and certified mail, as evidenced by the signed signature cards on file/USPS tracking information available online. The Arbitrator also determined that Respondent Baltas was served with the Notification of Arbitrator dated July 14, 2021 by regular mail.

The Claim Notification letter notified Respondent Baltas that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent Baltas failed to register for the DR Portal.

The Arbitrator determined that Respondent Baltas is, therefore, bound by the Arbitrator's ruling and determination.

AWARD

After considering the pleadings and Claimant's submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Baltas is liable for and shall pay to Claimant the sum of \$14,419.67 in compensatory damages.
2. 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 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
Counterclaim Filing Fee	= \$ 600.00

**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 Worden Capital Management LLC is assessed the following:

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

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ 1,125.00/session	= \$ 1,125.00
Pre-hearing Conference: August 26, 2021 1 session	:
Decision on the papers:	= \$ 300.00
<hr/>	
Total Hearing Session Fees	= \$ 1,425.00

The Arbitrator has assessed \$562.50 of the hearing session fees to Claimant.
The Arbitrator has assessed \$862.50 of the hearing session fees to Respondent Baltas.

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

ARBITRATOR

Louis P. Wagman

-

Sole 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.

Arbitrator's Signature

Louis P. Wagman

Louis P. Wagman
Sole Public Arbitrator

10/19/2021

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.

October 19, 2021

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