

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Bruce A. Wilkerson and Antoinette M. Wilkerson,
Individually and as Trustees of the
Wilkerson Family Education Trust, Laura A.
Wilkerson Trustee UTA-DTD-10-19-92

Case Number: 14-00904

vs.

Respondent

Resource Horizons Group LLC

Hearing Site: Nashville, Tennessee

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Bruce A. Wilkerson and Antoinette M. Wilkerson, Individually and as Trustees of the Wilkerson Family Education Trust, Laura A. Wilkerson Trustee UTA-DTD-10-19-92: Adam J. Gana, Esq., Adam J. Weinstein, Esq. and Daniel Gwertzman, Esq., Gana LLP, New York, New York.

For Respondent Resource Horizons Group LLC ("RHG"): From May 20, 2014, to December 4, 2014, Alan M. Wolper, Esq., Nathan Lamb, Esq. and Heidi E. VonderHeide, Esq., Ulmer & Berne, LLP, Chicago, Illinois. Thereafter, Kelly S. Miller, Resource Horizons Group, LLC, Marietta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: March 21, 2014.

Antoinette M. Wilkerson signed the Submission Agreement: March 21, 2014.

Bruce A. Wilkerson signed the Submission Agreement: March 21, 2014.

The Wilkerson Family Education Trust, Laura A. Wilkerson Trustee UTA-DTD-10-19-92 signed the Submission Agreement: March 21, 2014.

Statement of Answer filed by Respondent on or about: May 20, 2014

Resource Horizons Group LLC signed the Submission Agreement: May 22, 2014.

Motion to Amend the Statement of Claim ("Motion to Amend") filed by Claimants on or about: September 26, 2014.

Motion to Initiate Default Proceedings Pursuant to FINRA Rule 12801 ("Motion for Default") of the Code of Arbitration Procedure (the "Code") filed by Claimants on or about: December 3, 2014.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: failure to supervise; omission of facts; misrepresentation; negligence; respondeat superior; unsuitability; breach of fiduciary duty; fraud; and conversion. The causes of action relate to the alleged conversion of Claimants' funds and purchase of unsuitable securities in Claimants' account, as a result of an alleged Ponzi scheme put in place by Respondent's financial advisor.

Unless specifically admitted in its Answer, Respondent 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 in the amount of \$610,000.00, plus interest at the statutory rate; attorneys' fees; expert fees; forum fees; punitive damages; and such other and further relief as this Panel deems just and proper.

At the close of the hearing, Claimants requested \$1,830,000.00, which includes compensatory damages in the amount of \$610,000.00, plus treble damages allowed by the Tennessee Consumer Protection Act in the amount of \$1,220,000.00.

In the Statement of Answer, Respondent requested a denial and dismissal of Claimants' claims.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about September 26, 2014, Claimants filed a Motion to Amend to add two (2) Respondents to Claimants' Statement of Claim. On or about October 21, 2014, the proposed Respondents subject to the Motion to Amend filed with FINRA Dispute Resolution a Notice of Bankruptcy. Subsequently, Claimants filed correspondence requesting that their Motion to Amend be held in abeyance and did not reassert the Motion to Amend.

On or about December 3, 2014, Claimants filed a Motion for Default. In the Motion, Claimants asserted that Respondent advised FINRA that it would no longer participate in this arbitration proceeding and Claimants requested that the Panel enter a default ruling against Respondent. Respondent did not file a response. On January 23, 2015, the Panel held a telephonic hearing on Claimants' Motion for Default, which Respondent attended, and issued an Order which held in abeyance Claimants' Motion for Default. Subsequently, the Panel determined that the Motion for Default did not meet the requirements under Rule 12801 of the Code. On the January 23, 2015, telephonic hearing, Claimants also moved to have the evidentiary hearing held telephonically and Respondent did not oppose Claimants' request. Further, Respondent participated in the recorded telephonic evidentiary hearing held on March 3, 2015.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

1. Respondent RHG is liable and shall pay to Claimants \$1,830,000.00, which includes compensatory damages in the amount of \$610,000.00, plus treble damages allowed by the Tennessee Consumer Protection Act in the amount of \$1,220,000.00.
2. Respondent RHG is liable and shall pay to Claimants interest at the rate of 10% per annum on the amount of \$1,830,000.00 from the date of this Award until paid in full, pursuant to Tennessee law.
3. Respondent RHG is liable and shall pay to Claimants punitive damages in the amount of \$183,000.00, pursuant to the Federal Arbitration Act.
4. Respondent RHG is liable and shall pay to Claimants attorneys' fees in the amount of \$610,000.00, pursuant to the Tennessee Consumer Protection Act.
5. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution 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, Respondent RHG is assessed the following:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 4,000.00

Hearing Session Fees and Assessments

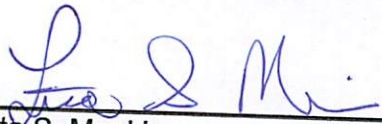
The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

ARBITRATION PANEL

Lita S. Menkin	-	Public Arbitrator, Presiding Chairperson
Fred M. Ridolphi, Jr.	-	Public Arbitrator
A.J. Seier	-	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



Lita S. Menkin
Public Arbitrator, Presiding Chairperson

3/10/15

Signature Date

Fred M. Ridolphi, Jr.
Public Arbitrator

Signature Date

A.J. Seier
Public Arbitrator

Signature Date

MARCH 11, 2015

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

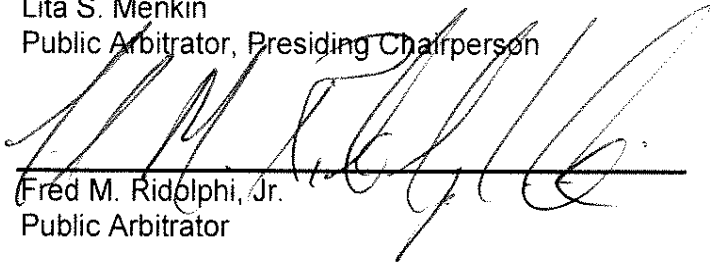
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