

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant

████████████████████

Case Number ██████████

vs.

Respondent

J.P. Morgan Securities, LLC

Hearing Site: New York, New York

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Nature of the Dispute: Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant ██████████: Dochter Kennedy, Esq., and Michael Bessette, Esq., AdvisorLaw LLC, Broomfield, Colorado.

For Respondent J.P. Morgan Securities, LLC: Thomas J. Cahill, Esq., and Michael Gibson, Esq., Satterlee Stephens LLP, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: April 10, 2018.

Claimant signed the Submission Agreement: April 10, 2018.

Statement of Answer filed by Respondent on or about: May 31, 2018

Respondent signed the Submission Agreement: May 30, 2018.

**CASE SUMMARY**

Claimant asserted the following cause of action: expungement.

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

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$1.00, expungement of occurrence number ██████████, and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer Respondent denies any wrongdoing and maintains that Claimant's claim as it relates to J.P. Morgan Securities, LLC is ineligible for arbitration.

At the close of the hearing, Claimant withdrew her request for \$1.00 in compensatory damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

The Arbitrator conducted a recorded telephonic hearing on October 16, 2018 so the parties could present oral argument and evidence on [REDACTED] request for expungement.

Claimant provided FINRA Office of Dispute Resolution with proof that the customer was served with notice of this expungement hearing and notice of the customer's right to participate and testify at the expungement hearing.

The customer did not participate in the expungement hearing. The customer whose correspondence with Claimant's firm (then Bear Stearns) triggered the reportable incident was apprised of the hearing but did not attend or offer any objections to expungement. By email dated October 13, 2018, through counsel, she represented that she had no objection to expungement and supported Claimant's application.

The Arbitrator noted that [REDACTED] did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: Claimant's Statement of Claim, Respondent's Statement of Answer, Claimant's BrokerCheck® Report and evidence and testimony presented at the expungement hearing.

### **AWARD**

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

1. The Arbitrator recommends the expungement of all references to occurrence number [REDACTED] from registration records maintained by the Central Registration Depository ("CRD"), for [REDACTED] (CRD # [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, [REDACTED] must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and the registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and the claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

In her communication with Bear Stearns, the customer took issue with an allegedly unsuitable purchase of five WR Grace call options in her IRA retirement account. The customer was (and is) a friend of [REDACTED] and was offered the opportunity to avail herself of the firm's so-called "friends and family" equity trading platform. At no time did [REDACTED] function as the customer's investment advisor or representative since she was employed in the firm's institutional research and sales area and had no individual client relationships. The customer subsequently withdrew her complaint after the underlying circumstances of the purchase were explained to her by the firm's compliance department. And, as noted above, the customer supports the application for expungement.

By reason of the foregoing, the undersigned finds that the requirement of Rule 2080 (A), (B) and (C) have been met. Hatch had no involvement with the options purchase or subsequent sale, and under these circumstances any implication of improper conduct by her is clearly erroneous, false or both.

### **FEES**

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

#### **Filing Fees**

FINRA Office of Dispute Resolution assessed a filing fee\* for each claim:

Initial Claim Filing Fee	= \$ 50.00
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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 J.P. Morgan Securities, LLC is assessed the following:

Member Surcharge	\$150.00
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**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, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$ 50.00
Pre-hearing conference: July 30, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: October 16, 2018	1 session

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Total Hearing Session Fees	= \$100.00
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The Arbitrator has assessed the \$100.00 hearing session fees to Claimant.

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

**ARBITRATOR**

Robert E. Anderson

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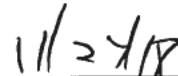
Sole Public Arbitrator

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.

**Arbitrator's Signature**



Robert E. Anderson  
Sole Public Arbitrator



Signature Date

November 28, 2018

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