

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Eugene Elliott
Shawn Elliott
Genraza LLC
The Elliott Family Trust DTD 9-17-86

Case Number: 14-01142

vs.

Respondent

J.P. Morgan Securities, LLC

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Eugene Elliott, Shawn Elliott, Genraza LLC, and The Elliott Family Trust DTD 9-17-86, hereinafter collectively referred to as "Claimants": Philip M. Aidikoff, Esq., and Katrina M. Boice, Attorney at Law, Aidikoff, Uhl & Bakhtiari, Beverly Hills, California.

For Respondent J.P. Morgan Securities, LLC ("Respondent"): Paul J. Schumacher, Esq., and Jason R. Lindsay, Esq., Greenberg Traurig LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: April 9, 2014.

Claimants signed the Submission Agreement: April 6, 2014.

Statement of Answer filed by Respondent on or about: June 27, 2014.

J.P. Morgan Securities, LLC signed the Submission Agreement: June 24, 2014.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, breach of written and oral contract, constructive fraud, fraud by misrepresentation and omission, failure to supervise and control, and violation of state and federal securities laws. The causes of action relate to alleged short trading of US Treasury securities, and

unsuitable purchases and unsuitable allocations of unspecified options, leveraged Exchange Traded Funds, and other securities.

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:

1. General and compensatory damages in an amount according to proof, but not less than \$1,750,000.00;
2. Lost opportunity costs in an amount according to proof;
3. Rescission of the alleged unsuitable investments;
4. Cost of proceedings;
5. Punitive damages in an amount according to proof;
6. Interest at the legal rate on all sums recovered;
7. Attorneys' fees and costs; and
8. Such other and further relief as the Panel deems just and appropriate.

Respondent requested the Panel dismiss Claimants' claims in their entirety, award Respondent its costs for defending this claim, and grant such other relief that the Panel deems fair and equitable.

At the close of the hearing, Claimants requested damages of \$1,553,417.00 to \$1,710,226.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

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 hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimants \$1,145,747.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimants interest on the aforementioned award of \$1,145,747.00 at a rate of 10% per annum accruing from the date of service of the award until the award of \$1,145,747.00 is paid in full.
3. Respondent is liable for and shall pay to Claimants \$42,500.00 in expert witness fees.

4. Respondent is liable for and shall pay to Claimants \$600.00 as reimbursement for the non-refundable portion of the initial claim filing fee Claimants previously paid to FINRA Dispute Resolution.
5. Any and all relief not specifically addressed herein, including punitive damages and attorneys' fees, 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	=\$ 1,800.00
--------------------------	--------------

**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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, J.P. Morgan Securities, LLC is assessed the following:

Member Surcharge	=\$ 2,800.00
Pre-Hearing Processing Fee	=\$ 750.00
Hearing Processing Fee	=\$ 5,000.00

Discovery-Related Motion Fees

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

One (1) Decision on a discovery-related motion on the papers with one arbitrator @ \$200.00	= \$200.00
Respondent submitted one discovery-related motion	

Total Discovery-Related Motion Fees	= \$200.00
-------------------------------------	------------

The Panel has assessed \$200.00 of the discovery-related motion fees to Respondent.

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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00/session	=\$1,350.00
Pre-hearing conferences: January 13, 2015	1 session
April 9, 2015	1 session
July 16, 2015	1 session

One (1) Pre-hearing session with the Panel @ \$1,200.00/session	=\$1,200.00
---	-------------

Pre-hearing conference:	October 20, 2014	1 session	
Eighteen (18) Hearing sessions @ \$1,200.00/session			= \$21,600.00
Hearing Dates:	September 14, 2015	2 sessions	
	September 15, 2015	2 sessions	
	September 16, 2015	2 sessions	
	September 17, 2015	2 sessions	
	September 18, 2015	2 sessions	
	September 21, 2015	2 sessions	
	September 22, 2015	2 sessions	
	September 24, 2015	2 sessions	
	September 25, 2015	2 sessions	
<hr/> Total Hearing Session Fees			= \$24,150.00

The Panel has assessed \$24,150.00 of the hearing session fees to Respondent.

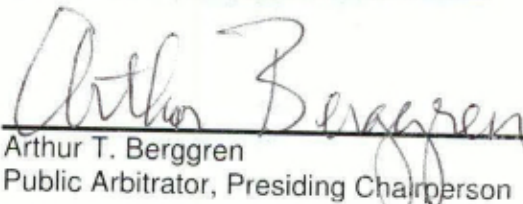
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

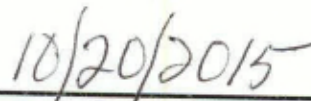
Arthur T. Berggren	-	Public Arbitrator, Presiding Chairperson
Janice A. Salter	-	Public Arbitrator
Michael R. Diliberto	-	Public Arbitrator

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



Arthur T. Berggren
Public Arbitrator, Presiding Chairperson



Signature Date

Janice A. Salter
Public Arbitrator

Signature Date

Michael R. Diliberto
Public Arbitrator

Signature Date

October 23, 2015
Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

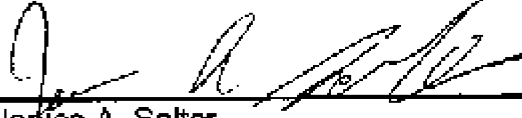
Arthur T. Berggren	-	Public Arbitrator, Presiding Chairperson
Janice A. Salter	-	Public Arbitrator
Michael R. Diliberto	-	Public Arbitrator

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

Arthur T. Berggren
Public Arbitrator, Presiding Chairperson

Signature Date



Janice A. Salter
Public Arbitrator

10/19/15

Signature Date

Michael R. Diliberto
Public Arbitrator

Signature Date

October 23, 2015
Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

Arthur T. Berggren	-	Public Arbitrator, Presiding Chairperson
Janice A. Salter	-	Public Arbitrator
Michael R. Diliberto	-	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

Arthur T. Berggren
Public Arbitrator, Presiding Chairperson

Signature Date

Janice A. Salter
Public Arbitrator

Signature Date

Michael R. Diliberto

Michael R. Diliberto
Public Arbitrator

10/19/15

Signature Date

October 23, 2015
Date of Service (For FINRA Dispute Resolution office use only)