

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
J.P. Morgan Securities, LLC

Case Number: 18-02857

vs.

Respondent  
Andrew Graves

Hearing Site: New York, New York

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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: Member vs. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant J.P. Morgan Securities, LLC: Eugene L. Small, Esq., and Briana Huffer, Esq., Eugene L. Small, P.C., New York, New York.

For Respondent Andrew Graves: Ethan A. Brecher, Esq., Law Office of Ethan A. Brecher, LLC, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: August 13, 2018.

Statement of Answer to the Counterclaim filed on or about: January 18, 2019.

J.P. Morgan Securities, LLC signed the Submission Agreement: August 13, 2018.

Statement of Answer and Counterclaim filed by Respondent on or about: December 6, 2018.

Amended Statement of Answer and Counterclaim filed on or about July 27, 2021.

Andrew Graves signed the Submission Agreement: December 4, 2018.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following cause of action: breach of promissory note agreement.

Unless specifically admitted in the Amended Statement of Answer and Counterclaim, Respondent denied the allegations made in the Statement of Claim, asserted various affirmative defenses, and asserted the following causes of action: expungement of Form U5 termination entry based on the

defamatory nature of the entry in Respondent's Central Registration Depository ("CRD") records; breach of contract; violation of the New York Labor Law; wrongful termination; and unjust enrichment.

Unless specifically admitted in the Statement of Answer to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: compensatory damages in the amount of \$356,753.65, interest in the amount of \$4,179.05, calculated to August 13, 2018, and interest which continues to accrue at the rate of \$16.45 per diem until Respondent pays the entire outstanding balance of the loan; all costs, fees, and disbursements of this action, including attorneys' fees; and for such other and further relief as the Panel may deem just, proper, and equitable.

In the Amended Statement of Answer and Counterclaim, Respondent requested that the Panel dismiss the Statement of Claim in its entirety and grant the following relief: expungement of the defamatory, inaccurate, and misleading language on his Form U5 and issue a direction that substitute language stating that he was "Terminated without cause" be substituted; damages for unpaid commissions, as well as double damages, attorneys' fees, and costs under New York Labor Law; damages for all cancelled Replacement Restricted Stock Units and Restricted Stock Units; damages and/or offset in the amount of no less than \$450,000.00 on account of Respondent's unjust enrichment; attorneys' fees and costs; pre-award interest, an award for all forum fees against Respondent; a credit for all amounts due to Respondent under his Employment Agreement as against any amounts due under the "promissory note"; and all other relief as the Panel deems, just, proper, and equitable.

In the Statement of Answer to the Counterclaim, Claimant requested that the Panel: render judgement against Respondent on the promissory note as set forth in the Statement of Claim; dismiss all of Respondent's Counterclaims; assess all costs associated with the proceeding against Respondent; award Claimant its reasonable attorneys' fees, costs, and expenses; and grant Claimant such other and further relief as the Panel may deem just and proper under the circumstances.

At the hearing, Claimant withdrew the request for costs and attorneys' fees. Respondent did not pursue the request for attorneys' fees, pre-award interest, forum fees, and any other credits due Respondent under the Employment Agreement.

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

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

At the conclusion of Claimant's case-in-chief, Respondent made a Motion for a Directed Verdict and Claimant opposed the motion. After due deliberation, the Panel denied the motion.

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. Respondent is liable for and shall pay to Claimant the sum of \$360,923.70 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant interest at the rate \$16.45 per diem from August 14, 2018 until June 18, 2020.
3. Respondent is liable for and shall pay to Claimant interest at the rate \$16.45 per diem from December 16, 2021 until the award is paid in full.
4. Due to COVID-19 related postponements, no interest shall accrue between June 19, 2020 and December 15, 2021.
5. Respondent's Counterclaim is denied.
6. Respondent's request for expungement of his registration records maintained by the CRD is denied.
7. Any and all claims for relief not specifically addressed herein, including any requests for 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:	=\$ 2,125.00
Counterclaim Filing Fee:	=\$ 1,425.00

### **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, Claimant J.P. Morgan Securities, LLC is assessed the following:

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

### **Postponement Fees**

Postponements granted during these proceedings for which fees were assessed or waived:

December 16-19, 2019, postponement requested by the parties	=\$ 1,125.00
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June 17-19, 2020, postponement requested by the parties	WAIVED
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Total Postponement Fees	= \$ 1,125.00

The Panel has assessed \$562.50 of the postponement fees to Claimant.

The Panel has assessed \$562.50 of the postponement 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 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
Pre-Hearing Conference: November 12, 2019	1 session
Four (4) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$ 4,500.00
Pre-Hearing Conferences: February 27, 2019	1 session
November 29, 2019	1 session
February 4, 2020	1 session
December 2, 2020	1 session
Four (4) hearing sessions @ \$1,125.00/session	= \$ 4,500.00
Hearings: December 13, 2021	2 sessions
December 14, 2021	2 sessions
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Total Hearing Session Fees	= \$ 9,450.00

The Panel has assessed \$3,600.00 of the hearing session fees to Claimant.

The Panel has assessed \$5,850.00 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Richard A. Cini	-	Public Arbitrator, Presiding Chairperson
Yvette Strong	-	Public Arbitrator
Teed J Welch	-	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**

***Richard A. Cini***

Richard A. Cini  
Public Arbitrator, Presiding Chairperson

**01/12/2022**

Signature Date

***Yvette Strong***

Yvette Strong  
Public Arbitrator

**01/11/2022**

Signature Date

***Teed J Welch***

Teed J Welch  
Non-Public Arbitrator

**01/12/2022**

Signature Date

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January 14, 2022

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