

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

---

In the Matter of the Arbitration Between:

Claimants

Zachary Aaron Morris  
Jeffrey Stephen Diamond

Case Number: 20-01664

vs.

Respondent

J.P. Morgan Securities, LLC

Hearing Site: New York, New York

---

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: Associated Persons vs. Member

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimants Zachary Aaron Morris and Jeffrey Stephen Diamond: Eugene L. Small, Esq., Lauren Fox, Esq., and Briana K. Huffer, Esq., Eugene L. Small P.C., New York, New York.

For Respondent J.P. Morgan Securities, LLC: Jeffrey S. Dunlap, Esq., and McClellon D. Cox, Esq., Ulmer & Berne LLP, Cleveland, Ohio.

**CASE INFORMATION**

Statement of Claim filed on or about: May 27, 2020.

Zachary Aaron Morris signed the Submission Agreement: May 27, 2020.

Jeffrey Stephen Diamond signed the Submission Agreement: May 27, 2020.

Statement of Answer filed by Respondent on or about: August 20, 2020.

Amended Statement of Answer filed by Respondent on or about: August 24, 2020.

J.P. Morgan Securities, LLC signed the Submission Agreement: August 21, 2020.

### **CASE SUMMARY**

In the Statement of Claim, Claimants asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Amended Statement of Answer, Respondent took no position on Claimant’s expungement request.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimants requested expungement of Occurrence Numbers 1974026 and 1974088.

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

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

On December 2, 2020, Claimants advised that the customer in Occurrence Numbers 1974026 and 1974088 was served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Panel conducted a recorded hearing by videoconference on January 26, 2021 so the parties could present oral argument and evidence on Claimants’ request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The customer’s counsel participated in the expungement hearing and opposed the expungement request. The Panel noted that the customer’s counsel was permitted to give an opening statement prior to the opening statements from counsel for Claimants and Respondent. The customer’s counsel left the hearing after his statement and stated that he would not participate in the remainder of the hearing. He also stated that the customer would not participate or testify at the hearing but requested the panelists to consider his submissions.

The Panel reviewed Claimants’ BrokerCheck® Reports. The Panel noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Panel also reviewed the settlement documents, considered the amount of payments made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Panel noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimants did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: the pleadings; exhibits; customer's submissions, Claimants' BrokerCheck® Reports, and Claimants' testimonies.

### **AWARD**

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

1. The Panel recommends the expungement of all references to Occurrence Number 1974026 from registration records maintained by the CRD for Claimant Zachary Aaron Morris (CRD Number 5939621) with the understanding that, pursuant to Notice to Members 04-16, Claimant Zachary Aaron Morris 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 of Arbitration Procedure ("Code"), the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

The customer was not risk adverse and the portfolio investments and allocations were within his chosen investment parameters. The Panel reviewed the settlement documents; and the customer agreed to a nominal settlement amount in relation to his alleged losses. The allegation that Respondent had not approved of the fund were false, and the Panel finds the customer's claim, allegation, and information were false.

2. The Panel recommends the expungement of all references to Occurrence Number 1974088 from registration records maintained by the CRD for Claimant Jeffrey Stephen Diamond (CRD Number 1399171) with the understanding that, pursuant to Notice to Members 04-16, Claimant Jeffrey Stephen Diamond 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 Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

The customer was not risk adverse and the portfolio investments and allocations were within his chosen investment parameters. The Panel reviewed the settlement documents; and the customer agreed to a nominal settlement amount in relation to his alleged losses. The allegation that Respondent had not approved of the fund were false, and the Panel finds the customer's claim, allegation, and information were false.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial Claim Filing Fee	= \$	1,575.00
--------------------------	------	----------

*\*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 persons 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	= \$	1,900.00
Member Process Fee	= \$	3,750.00

#### **Late Pre-hearing Cancellation Fees**

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

December 17, 2020, cancellation jointly requested by Parties	= \$	300.00
--	------	--------

---

Total Late Pre-hearing Cancellation Fees	= \$	300.00
--	------	--------

The Panel has assessed the total late pre-hearing cancellation fees jointly and severally to Claimants.

#### **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 Panel, including a pre-hearing conference with the Panel, 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: October 22, 2020	1 session	

One (1) hearing session on expungement request @ \$1,125.00/session	= \$	1,125.00
Hearing Date: January 26, 2021 1 session		

---

Total Hearing Session Fees	= \$	2,250.00
----------------------------	------	----------

The Panel has assessed the total hearing session fees jointly and severally to Claimants.

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

**ARBITRATION PANEL**

Kent L. Benziger	-	Public Arbitrator, Presiding Chairperson
Josian Antoine	-	Public Arbitrator
Thomas M. Amadio	-	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**

***Kent L. Benziger***

\_\_\_\_\_  
Kent L. Benziger  
Public Arbitrator, Presiding Chairperson

**02/03/2021**

\_\_\_\_\_  
Signature Date

***Josian Antoine***

\_\_\_\_\_  
Josian Antoine  
Public Arbitrator

**02/04/2021**

\_\_\_\_\_  
Signature Date

***Thomas M. Amadio***

\_\_\_\_\_  
Thomas M. Amadio  
Non-Public Arbitrator

**02/03/2021**

\_\_\_\_\_  
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.

February 04, 2021

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