

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Karl Austin Pettijohn

Case Number: 21-01167

vs.

Respondent
J.P. Morgan Securities, LLC

Hearing Site: Los Angeles, California

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 Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Karl Austin Pettijohn (“Claimant”): Michael Bessette, Esq., HLBS Law, Westminster, Colorado.

For Respondent J.P. Morgan Securities, LLC (“Respondent”): Samantha D. Parrish, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed on or about: May 4, 2021.

Claimant signed the Submission Agreement: May 4, 2021.

Statement of Answer filed by Respondent on or about: June 21, 2021.

Respondent signed the Submission Agreement: June 21, 2021.

CASE SUMMARY

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

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of Occurrence Number 1935844 from Claimant's CRD records, pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of Occurrence Number 1935844 from Claimant's CRD records, pursuant to FINRA Rule 2080(b)(1)(B), as Claimant was not involved in the alleged investment-related sales practice violation, theft, forgery, misappropriation, or conversion of funds;
3. Expungement of Occurrence Number 1935844 from Claimant's CRD records, pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
4. Deletion of all Disclosure Reporting Pages accompanying Occurrence Number 1935844; and
5. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent did not set forth any specific request for relief.

OTHER ISSUES CONSIDERED AND DECIDED

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

On July 8, 2021, the parties agreed to proceed with a single arbitrator for this matter.

The explanation provided by the Arbitrator of the decision in the Award is for the information of the parties only and is not precedential in nature.

FINDINGS

Expungement is an extraordinary remedy with a high burden of proof which Claimant failed to meet in this hearing. The decision is based, in part, on the FINRA award in Case Number 17-00791 - in which the Panel, after an 11-day hearing in which Claimant testified, found for the customer and awarded compensatory damages. The Arbitrator did take into account that Claimant was not named and did not make an individual contribution to the award - both of which facts are on the Claimant's BrokerCheck® Record.

AWARD

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

1. Claimant's (CRD Number 1453775) request for expungement of Occurrence Number 1935844 from registration records maintained by the CRD is denied.
2. Any and all claims for relief not specifically addressed herein 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 = \$ 1,600.00

**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, Respondent is assessed the following:

Member Surcharge = \$ 2,000.00
Member Process Fee = \$ 3,850.00

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, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single Arbitrator @ \$1,150.00/session = \$ 1,150.00
Pre-Hearing Conference: August 6, 2021 1 session

One (1) hearing session on expungement request @ \$1,150.00/session = \$ 1,150.00
Hearing: October 14, 2021 1 session

Total Hearing Session Fees = \$ 2,300.00

The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Andrew M. Mintzer

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Sole 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.

Arbitrator's Signature

Andrew M. Mintzer

Andrew M. Mintzer
Sole Public Arbitrator

10/15/2021

Signature Date

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October 15, 2021

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