

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Lawrence Rosenbloom,
LNR Investments LP,
Bevrose Investments LP,
Emmrose Investments LP,
Penrose Investments LP and
Rosenbloom Charitable Remainder Trust

Case Number: 13-03158

vs.

Respondent

J.P. Morgan Securities, LLC

Hearing Site: Dallas, Texas

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Lawrence Rosenbloom ("Rosenbloom"), LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, Penrose Investments LP, and Rosenbloom Charitable Remainder Trust (hereinafter collectively referred to as "Claimants"): Richard A. Lewins, Esq., LewinsLaw, Dallas, Texas.

For Respondent J.P. Morgan Securities, LLC ("Respondent"): Terry R. Weiss, Esq., Greenberg Traurig, LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: October 25, 2013.

Lawrence Rosenbloom signed the Submission Agreement: November 19, 2013.

LNR Investments LP signed the Submission Agreement: November 19, 2013.

Bevrose Investments LP signed the Submission Agreement: November 19, 2013.

Emmrose Investments LP signed the Submission Agreement: November 19, 2013.

Penrose Investments LP signed the Submission Agreement: November 19, 2013.

Rosenbloom Charitable Remainder Trust signed the Submission Agreement: November 19, 2013.

Statement of Answer filed on or about: March 4, 2014.

J.P. Morgan Securities, LLC signed the Submission Agreement: March 5, 2014.

Respondent's Motion to Dismiss Claims Pursuant to FINRA Rule 12206 ("Motion to Dismiss") was filed on or about November 11, 2014. Claimants' Response to Respondent's Motion to Dismiss was filed on or about December 18, 2014. Respondent's Reply in Support of the Motion to Dismiss was filed on or about December 23, 2014.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; breach of standard of care; and suitability. The causes of action related to the management and investment of funds received from the sale of Rosenbloom's business. Rosenbloom alleged that Respondent and unnamed party Mark Gardner ("Gardner") recommended an asset allocation that was unsuitable for his portfolios and investment objectives of asset protection and preservation. Rosenbloom further alleged that in managing his portfolios, Respondent and Gardner were not acting in the capacity of stock brokers, but instead as investment adviser representatives, and as such they had greater standards of care.

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:

Compensatory Damages	\$500,000.00
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 22, 2015, the Panel heard oral arguments on Respondent's Motion to Dismiss. On January 22, 2015, the Panel issued an Order denying Respondent's Motion to Dismiss.

Claimants filed a Motion for Entry of Stipulated Facts on or about October 1, 2015. Respondent filed an Opposition to Claimants' Motion for Entry of Stipulated Facts on or about October 8, 2015. On October 13, 2015, the Panel heard oral arguments and issued an Order denying Claimants' Motion for Entry of Stipulated Facts.

At the hearing, following opening statements but before the presentation of Claimants' evidence, Claimants made an oral Motion in Limine to Dismiss all claims except those

claims related to the Rosenbloom Charitable Remainder Trust. Respondent did not oppose the Motion. The Panel granted Claimants' Motion in Limine to Dismiss all claims except those claims related to the Rosenbloom Charitable Remainder Trust.

At the hearing, Respondent made an oral Motion to Exclude Testimony from Claimant Rosenbloom Charitable Remainder Trust's expert. Claimant Rosenbloom Charitable Remainder Trust objected. The Panel denied Respondent's Motion to Exclude. Respondent made an oral Motion in Limine to Exclude Testimony regarding attorneys' fees. Claimant Rosenbloom Charitable Remainder Trust objected. The Panel deferred ruling on the motion.

The Panel allowed the parties to file post-hearing briefs related to attorneys' fees. On October 20, 2015, Claimants' counsel notified FINRA that he would not be filing a post-hearing submission, but instead rely on the argument for attorneys' fees made in Claimants' pre-hearing brief. On or about October 20, 2015, Respondent filed a Brief in Opposition to Claimants' Claim for Attorneys' Fees.

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

1. Claimant Rosenbloom Charitable Remainder Trust's claims, each and all, are hereby denied;
2. The claims of Claimants Lawrence Rosenbloom, LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, Penrose Investments LP, were previously dismissed by the Panel; and
3. Any and all relief not specifically addressed herein, including 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

= \$ 1,425.00

**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 person at the time of the events giving rise to the dispute. Accordingly, as a party, J.P. Morgan Securities, LLC is assessed the following:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 13-17, 2015, adjournment by jointly by the parties Waived

Discovery-Related Motion Fees

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

Two (2) Decisions on discovery-related motions on the papers with two (2) arbitrators @ \$200.00	= \$ 400.00
<u>Respondent submitted two (2) discovery-related motions</u>	
<u>Total Discovery-Related Motion Fees</u>	<u>= \$ 400.00</u>

The Panel has assessed \$200.00 of the discovery-related motion fees jointly and severally to Lawrence Rosenbloom, LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, Penrose Investments LP, and Rosenbloom Charitable Remainder Trust.

The Panel has assessed \$200.00 of the discovery-related motion fees to J.P. Morgan Securities, LLC.

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

Four (4) Pre-hearing sessions with a single arbitrator @ \$450/session	= \$1,800.00
Pre-hearing conferences:	
November 21, 2014	1 session
December 22, 2014	1 session
February 17, 2015	1 session
May 4, 2015	1 session
Four (4) Pre-hearing sessions with the Panel @ \$1,125/session	= \$4,500.00
Pre-hearing conferences:	
May 14, 2014	1 session
January 22, 2015	1 session
August 20, 2015	1 session
October 13, 2015	1 session

Five (5) Hearing sessions @ \$1,125/session		= \$5,625.00
Hearing Dates:	October 15, 2015	2 sessions
	October 16, 2015	1 session
	October 19, 2015	2 sessions
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Total Hearing Session Fees		= \$11,925.00

The Panel has assessed \$5,625.00 of the hearing session fees jointly and severally to Lawrence Rosenbloom, LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, Penrose Investments LP, and Rosenbloom Charitable Remainder Trust.

The Panel has assessed \$6,300.00 of the hearing session fees to J.P. Morgan Securities, LLC.

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

ARBITRATION PANEL

Mary Elizabeth Skelnik	-	Public Arbitrator, Presiding Chairperson
Andrea U. Calve	-	Public Arbitrator
Ann Blaess Kimball	-	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

/s/ Mary Elizabeth Skelnick
Mary Elizabeth Skelnick
Public Arbitrator, Presiding Chairperson

November 5, 2015
Signature Date

/s/ Andrea U. Calve
Andrea U. Calve
Public Arbitrator

November 5, 2015
Signature Date

/s/ Ann Blaess Kimball
Ann Blaess Kimball
Public Arbitrator

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November 5, 2015
Date of Service (For FINRA Dispute Resolution office use only)

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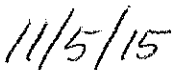
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