

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Gigi Jordan

Case Number: 17-00001

vs.

Respondents
J.P. Morgan Securities Inc.
JPMorgan Chase Bank, N.A.
JP Morgan Private Bank
Chase Bank U.S.A., N.A.
JPMorgan Chase & Co.
Rose H. Cohen

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member, Associated Person, and Non-Members

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimant Gigi Jordan: Daniel Kornstein, Esq., Emery Celli Brinckerhoff & Abady, New York, New York.

For Respondents J.P. Morgan Securities Inc. and Rose H. Cohen ("Respondents"): Eugene Small, Esq., SmallCalvo, New York, New York.

Respondent JPMorgan Chase Bank, N.A. did not enter an appearance in this matter.

Respondent JP Morgan Private Bank did not enter an appearance in this matter.

Respondent Chase Bank U.S.A., N.A. did not enter an appearance in this matter.

Respondent JPMorgan Chase & Co. did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: December 29, 2016.

Gigi Jordan signed the Submission Agreement: December 28, 2016.

Joint Statement of Answer filed by Respondents J.P. Morgan Securities Inc. and Rose H. Cohen on or about: March 2, 2017.

J.P. Morgan Securities Inc. signed the Submission Agreement: March 2, 2017.
Rose H. Cohen signed the Submission Agreement: March 2, 2017.

JPMorgan Chase Bank, N.A. did not submit a Statement of Answer or sign the Submission Agreement.

JP Morgan Private Bank did not submit a Statement of Answer or sign the Submission Agreement.

Chase Bank U.S.A., N.A. did not submit a Statement of Answer or sign the Submission Agreement.

JPMorgan Chase & Co. did not submit a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: loan fraud, theft, fraudulent loan disbursements, failure to supervise, gross negligence, disregard of FINRA Rules, federal statutes, and Respondents' own policies; enabling and facilitating the unauthorized divestiture of assets, aiding and abetting in theft, knowingly accepting fraudulent and forged documents, unauthorized lending, unauthorized wire transfers, fraudulent concealment, false reporting to credit agencies, failure to properly monitor and supervise employees and agents, aiding and abetting in fraudulent conduct, misrepresentations and omissions with the intent to conceal and mislead; ongoing concealment of misconduct, primary and vicarious liability for the misconduct of employees and agents; suppression of material information with the intent to conceal financial fraud; violation of the obligation to notify and include Claimant in the transactions; improper account opening, extension of fraudulent loan proceeds, concealment, breach of fiduciary duty of care, aiding and abetting fraud, neglecting to assert duty of care or act in a way comporting with diligence in verifying the legitimacy of obvious forgeries; fraudulent lending, fraudulent concealment, withholding material information and documents, conversion, respondent superior liability of employer, negligent supervision and secondary liability, and gross negligence per se. The causes of action relate to a bridge loan, mortgage related line of credit, and brokerage accounts.

Unless specifically admitted in the Statement of Answer, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: \$5,385,670.42 in compensatory damages, interest, punitive damages, injunctive relief, fees and costs including attorneys' fees, and such other and further relief as the Panel deems appropriate.

In the Joint Statement of Answer, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen requested that Claimant's claims be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent JPMorgan Chase Bank, N.A. is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Claimant's claims against Respondent JPMorgan Chase Bank, N.A.

Respondent JP Morgan Private Bank is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Claimant's claims against Respondent JP Morgan Private Bank.

Respondent Chase Bank U.S.A., N.A. is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Claimant's claims against Respondent Chase Bank U.S.A., N.A.

Respondent JPMorgan Chase & Co. is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Claimant's claims against Respondent JPMorgan Chase & Co.

On or about May 4, 2017, Claimant's counsel filed a Motion requesting Sanctions against J.P. Morgan Securities Inc. By Order dated May 30, 2017, the Panel denied Claimant's Motion for Sanctions.

On or about May 23, 2017, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen filed a Motion to Strike the Statement of Claim and remove all of Claimant's claims against JPMorgan Chase Bank, N.A., JP Morgan Private Bank, Chase Bank U.S.A., N.A., and JPMorgan Chase & Co. By Order dated June 21, 2017, the Panel denied Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's Motion to Strike the Statement of Claim and remove all of Claimant's claims against JPMorgan Chase Bank, N.A., JP Morgan Private Bank, Chase Bank U.S.A., N.A., and JPMorgan Chase & Co. The Panel denied the Motion with the right to renew.

On or about June 19, 2017, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen filed a Motion to Dismiss all of Claimant's claims. On November 22, 2017, the Panel heard oral arguments on J.P. Morgan Securities Inc. and Rose H. Cohen's Motion to Dismiss. By Order dated November 22, 2017, the Panel denied Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's Motion to Dismiss with the right to renew the Motion.

On or about January 22, 2018, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen filed a Renewed Motion to Dismiss all of Claimant's claims pursuant to FINRA Rules 12206 and 12200. By Order dated March 10, 2018, the Panel denied Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's Renewed Motion to Dismiss.

On or about May 25, 2018, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen filed a Motion to Preclude Claimant from offering any documents or testimony on the subject of damages. By Order dated July 10, 2018, the Panel denied Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's Motion to Preclude Claimant from offering documents or testimony on the subject of damages. Additionally, the Panel ordered that Claimant testify via video-taped deposition.

On or about July 31, 2018, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen filed a Motion to Bar Claimant's Testimony. By Order dated August 15, 2018, the Panel denied Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's Motion to Bar Claimant's Testimony. Additionally, by Order dated September 4, 2018, the Panel clarified its August 15, 2018 Order and stated that the parties should treat Claimant's video-taped testimony as her arbitration hearing testimony, not as traditional civil deposition testimony. The Panel ordered that Claimant's counsel should first elicit Claimant's direct testimony and Respondent may then cross-examine the Claimant.

On or about January 30, 2019, Claimant's counsel filed a Motion requesting that Respondents be barred from making any further Motion to Dismiss until the completion of Claimant's case-in-chief, and that Respondents be barred from referring in any fashion to Claimant's December 18-19, 2018 video-taped testimony until after the Panel has ruled on Claimant counsel's objections to the admissibility of such testimony at the evidentiary hearing. By Order dated February 20, 2019, the Panel granted Claimant's Motion.

During the presentation of Claimant's case-in-chief, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen moved to dismiss Claimant's claims for lack of jurisdiction under Rule 12200. Respondents also moved for an Order declaring the Panel had no jurisdiction under Rule 12200. Respondents argued that there was no enforceable Arbitration Agreement because Claimant testified that she never opened an account at JP Morgan Securities Inc. and her signature on any account agreement was a forgery. Respondents also argued that the dispute was not subject to arbitration under Rule 12200 because Claimant testified she did not open an account at JP Morgan Securities Inc. and because the remaining dispute did not arise in connection with the business activities of a member firm.

Claimant opposed the motions and argued that, even if Claimant did not open the account, the account was still open and Claimant was listed as the account-holder, and the alleged misconduct involved a brokerage account.

The Panel granted Respondents' request for an Order declaring the Panel did not have jurisdiction to hear the dispute under Rule 12200. First, Claimant herself testified that she did not open an account with JP Morgan Securities Inc. and any account opened in her name was the result of forged account opening documents. As a result, the account agreement containing the arbitration clause is void ab initio. Thus, Claimant produced no enforceable written agreement to arbitrate. Second, Claimant testified that she was seeking no damages stemming from any transactions or misconduct in the JP Morgan Securities Inc. account opened in her name. Therefore, the Panel found that the dispute did not arise in connection with business activities of JP Morgan Securities Inc. Absent a dispute that is subject to arbitration at FINRA, the Panel concluded it lacked power to

continue the hearing under Rule 12200, and thus could not take any further action on the merits. Thus, the Panel did not rule on the merits of Claimant's claims.

Prior to the conclusion of the hearing, Respondents J.P. Morgan Securities Inc. and Rose H. Cohen made a Motion requesting expungement of all references to the above-captioned arbitration from the registration records of Rose H. Cohen maintained by the Central Registration Depository. Because the Panel concluded it lacked jurisdiction to hear the case, the Panel also concluded it did not have jurisdiction to decide Respondents J.P. Morgan Securities Inc. and Rose H. Cohen's request for expungement.

The parties present at the hearing 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, and 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. Claimant's claims are dismissed in their entirety based upon lack of jurisdiction pursuant to Rule 12200. Claimant's claims are dismissed without prejudice to any right the Claimant has to file in court; the Claimant is not prohibited from pursuing his or her claims in a court.
2. The Panel did not rule on Respondents' request for expungement of the CRD records of Rose H. Cohen.
3. Any and all claims for relief not specifically addressed herein, including attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 2,250.00
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**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, Respondent JP Morgan Securities Inc. is assessed the following:

Member Surcharge	= \$ 3,600.00
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Member Process Fee = \$ 6,800.00

Discovery-Related Motion Fee

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

Four (4) decisions on discovery-related motions on the papers
with one (1) arbitrator @ \$200.00/decision = \$ 800.00

Claimant submitted two (2) discovery-related motions
Respondents submitted two (2) discovery-related motions

Total Discovery-Related Motion Fees = \$ 800.00

The Panel has assessed \$400.00 of the discovery-related motion fees to Claimant.
The Panel has assessed \$400.00 of the discovery-related motion fees jointly and
severally to Respondents J.P. Morgan Securities Inc. and Rose H. Cohen.

Contested Motion for Issuance of Subpoena Fee

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena
with three arbitrators @ \$250.00 per arbitrator = \$ 750.00

Total Contested Motion for Issuance of Subpoena Fee = \$ 750.00

The Panel has assessed the \$750.00 contested motion for issuance of subpoenas fees
to Claimant.

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:

One (1) pre-hearing session with a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: December 14, 2018 1 session

Six (6) pre-hearing sessions with the Panel @ \$1,500.00/session = \$ 9,000.00
Pre-hearing conferences: May 26, 2017 1 session
October 18, 2017 1 session
November 22, 2017 1 session
April 3, 2018 1 session
July 10, 2018 1 session
February 15, 2019 1 session

Four (4) hearing sessions @ \$1,500.00/session = \$ 6,000.00
Hearing Dates: November 19, 2019 2 sessions
November 20, 2019 2 sessions

Total Hearing Session Fees = \$ 15,450.00

The Panel has assessed \$6,975.00 of the hearing session fees to Claimant.
The Panel has assessed \$8,475.00 of the hearing session fees jointly and severally to Respondents J.P. Morgan Securities Inc. and Rose H. Cohen.

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

ARBITRATION PANEL

Jill I. Gross	-	Non-Public Arbitrator, Presiding Chairperson
Howard L. Sobel	-	Public Arbitrator
Martin A. Edelstein	-	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

Jill I. Gross

Jill I. Gross
Non-Public Arbitrator, Presiding Chairperson

01/02/2020

Signature Date

Howard L. Sobel

Howard L. Sobel
Public Arbitrator

01/03/2020

Signature Date

Martin A. Edelstein

Martin A. Edelstein
Public Arbitrator

01/02/2020

Signature Date

January 07, 2020

Date of Service (For FINRA Office of Dispute Resolution office use only)