

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Charles H. Jones Family Foundation, Inc.

Case Number: 16-02458

vs.

Respondents
Raymond James & Associates, Inc.
John N. Crook

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member and Associated Person

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Charles H. Jones Family Foundation, Inc.: Jo Lanier Meeks, Esq. and Duke R. Groover, Esq., James Bates Brannan Groover, LLP, Atlanta, Georgia.

For Respondent Raymond James & Associates, Inc. ("RJA"): Terry R. Weiss, Esq. and Stefanie Wayco, Esq., DLA Piper LLP, Atlanta, Georgia.

For Respondent John N. Crook ("Crook"): Frank A. Lightmas, Jr., Esq., The Law Offices of Frank A. Lightmas, Jr., LLC, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: August 19, 2016.
Charles H. Jones Family Foundation, Inc. signed the Submission Agreement: August 24, 2016.

Statement of Answer filed by Respondent RJA on or about: December 5, 2016.
RJA signed the Submission Agreement: October 2, 2016.

Statement of Answer filed by Respondent Crook on or about: December 5, 2016.
Crook signed the Submission Agreement: November 7, 2016.

CASE SUMMARY

Claimant asserted the following causes of action: churning/excessive trading and commissions; unauthorized trading; unsuitability; breach of fiduciary duty; fraud/intentional misrepresentation and omission; negligence/gross negligence; breach of contract; failure to supervise and respondeat superior/vicarious liability; and violation of Georgia Blue Sky Law. The causes of action relate to Claimant's investments in

unspecified equities, and specifically, the lack of an identifiable investment strategy utilized in making these purchases.

Unless specifically admitted in the Statement of Answer, Respondent RJA denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in the Statement of Answer, Respondent Crook denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, as clarified in correspondence dated August 24, 2016, Claimant requested: compensatory damages in the amount of \$3,800,000.00; pre-judgment interest; post-judgment interest; attorneys' fees; costs and expenses of litigation; punitive damages in the amount of \$1,000,000.00; and any such other and further relief as the Panel deemed just.

In the Statement of Answer, Respondent RJA requested: that this action be dismissed; that all costs and assessments by FINRA be borne by Claimant; and that Respondent RJA be awarded such other further and general relief to which it may be entitled.

In the Statement of Answer, Respondent Crook requested: that this action be dismissed with prejudice; that all costs and assessments by FINRA be assessed against Claimant; and that Respondent Crook be awarded such other further and general relief to which he may be entitled.

At the close of the hearing, Claimant requested total compensatory damages in the amount of \$2,461,634.00, inclusive of: (1) excess commissions in the amount of \$1,121,342.00 and pre-judgment interest (loss of use of funds) through February 29, 2020, in the amount of \$526,229.00, or alternatively, combined lost investment opportunity damages and pre-judgment interest on excess commissions ranging from \$466,154.00 to \$1,139,348.00; (2) expenses of litigation including attorneys' fees in the amount of \$635,063.00; (3) expert fees in the amount of \$177,000.00; and (4) FINRA fees in the amount of \$2,000.00. Additionally, Claimant requested punitive damages in the amount of \$2,242,684.00 and assessment of all arbitration fees and costs against Respondents.

At the close of the hearing, Respondents RJA and Crook limited their relief requests to dismissal of the claim and assessment of all FINRA fees to Claimant.

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 RJA requested dismissal of Claimant's claims, which the Panel denied.

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, the testimony and evidence presented at the recorded in-person hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
3. Any and all claims for relief not specifically addressed herein, including Claimant's requests for punitive damages and 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	= \$ 2,000.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent RJA is assessed the following:

Member Surcharge	= \$ 3,025.00
Member Process Fee	= \$ 6,175.00

Postponement Fees

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

March 5-9, 2018, postponement by Claimant	= \$ 1,400.00
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February 4-8, 2019, postponement by Respondent RJA	= \$ 1,400.00
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Total Postponement Fees	= \$ 2,800.00
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The Panel has assessed \$2,100.00 of the adjournment fees to Claimant.

The Panel has assessed \$700.00 of the adjournment fees jointly and severally to Respondents.

Discovery-Related Motion Fee

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

Two (2) decisions on discovery-related motions on the papers
with one (1) arbitrator @ \$200.00/decision = \$ 400.00

Respondent RJA submitted two (2) discovery-related motions

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed \$200.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$200.00 of the discovery-related motion fees jointly and severally to Respondents.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s) that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) pre-hearing sessions with a single arbitrator @ \$450.00/session = \$ 1,350.00

Pre-hearing conferences: April 24, 2017 1 session
August 10, 2017 1 session
November 21, 2017 1 session

One (1) pre-hearing session with the Panel @ \$1,400.00/session = \$ 1,400.00

Pre-hearing conference: February 21, 2017 1 session

Fifteen (15) hearing sessions @ \$1,400.00/session = \$21,000.00

Hearing Dates: February 24, 2020 2 sessions
February 25, 2020 2 sessions
February 26, 2020 2 sessions
February 27, 2020 2 sessions
February 28, 2020 3 sessions
March 2, 2020 2 sessions
March 3, 2020 2 sessions

Total Hearing Session Fees = \$23,750.00

The Panel has assessed \$11,875.00 of the hearing session fees to Claimant.

The Panel has assessed \$11,875.00 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

James David Askren, II	-	Public Arbitrator, Presiding Chairperson
William Barker Brown	-	Public Arbitrator
Larry Mims	-	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

James David Askren, II

James David Askren, II
Public Arbitrator, Presiding Chairperson

03/06/2020

Signature Date

William Barker Brown

William Barker Brown
Public Arbitrator

03/06/2020

Signature Date

Larry Mims

Larry Mims
Public Arbitrator

03/06/2020

Signature Date

March 09, 2020

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