

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Dustin B. Lockett

Case Number: 19-03075

vs.

Respondents

J.P. Morgan Securities, LLC and
Todd G. Fannin

Hearing Site: Louisville, Kentucky

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 and Associated Person

REPRESENTATION OF PARTIES

For Claimant Dustin B. Lockett (“Claimant”): Michael A. Valenti, Esq. and Hayden A. Holbrook, Esq., Valenti Hanley PLLC, Louisville, Kentucky.

For Respondents J.P. Morgan Securities, LLC (“JPMS”) and Todd G. Fannin (“Fannin”), hereinafter collectively referred to as “Respondents”: Jeffrey S. Dunlap, Esq. and Alyson Terrell, Esq., Ulmer & Berne LLP, Cleveland, Ohio.

CASE INFORMATION

Statement of Claim filed on or about: October 11, 2019.

Claimant signed the Submission Agreement: September 17, 2019.

Statement of Answer filed on or about: January 10, 2020.

JPMS signed the Submission Agreement: January 9, 2020.

Fannin signed the Submission Agreement: January 8, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim alleging that the Form U5 filed by JPMS, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory and asserted the following causes of action: invasion of privacy; false light, tortious interference with prospective business expectancies, and breach of implied covenant of good faith and fair dealing. The causes of action related to events occurring after the conclusion of Claimant’s employment with JPMS.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested an award of compensatory damages in excess of \$4,200,000.00, the specific amount to be determined by the Panel; an award of punitive damages in an amount subject to the discretion of the Panel; expungement and/or modification of the Form U5 filed by JPMS; an award of his costs, including his reasonable attorney fees; and any further legal or equitable relief to which Claimant may be entitled.

In the Statement of Answer, Respondents requested that all claims be denied in their entirety and that all costs be assessed against Claimant.

At the hearing and in Claimant's Itemization of Damages exhibit, Claimant requested damages of \$5,585,353.00, exclusive of interest and costs, including compensatory damages of \$3,689,015.00, punitive damages of \$500,000.00, and attorneys' fees of \$1,396,338.00. Alternatively, Claimant requested damages of \$4,402,769.00 exclusive of interest and costs, including compensatory damages of \$2,802,077.00, punitive damages of \$500,000.00, and attorneys' fees of \$1,100,692.00. Claimant withdrew the request for attorneys' fees on the record.

OTHER ISSUES CONSIDERED AND DECIDED

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

On the record at the hearing, Respondents moved to dismiss Claimant's claim with respect to diminution in value of Claimant's 401K plan ("Motion"), asserting that it was brought against the wrong party and not subject to FINRA jurisdiction. The Panel denied the Motion on the record at the hearing.

The Award in this matter may be executed in counterpart copies.

AWARD

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

1. JPMS is liable for and shall pay to Claimant the sum of \$1,400,000.00 in compensatory damages.
2. JPMS is liable for and shall pay to Claimant the sum of \$600.00 in costs as reimbursement for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.
3. The Panel recommends the expungement of the Termination Explanation in Section 3 of Dustin Blake Lockett's (CRD Number 5126374) Form U5 filed by J.P. Morgan Securities

LLC on June 29, 2017 and maintained by CRD. The Reason for Termination shall remain the same and the Termination Explanation shall be replaced with the following language: "Non-investment related. After a dispute about a clerical process, RR became disillusioned with the company's atmosphere requiring separation of his at-will employment." This directive shall apply to all references to the Termination Explanation.

The Panel further recommends the expungement of all references to Occurrence Number 1940121 from the registration records maintained by the CRD for Dustin Blake Lockett. Any "Yes" answers should be changed to "No," as applicable.

The Panel recommends expungement based on the defamatory nature of the information. The above recommendations are made with the understanding that the registration records are not automatically amended. Dustin Blake Lockett must forward a copy of this Award to FINRA's Credentialing, Registration, Education and Disclosure Department for review.

4. Claimant's claims against Fannin are denied.
5. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

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

Filing Fees

FINRA Dispute Resolution Services 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, JPMS is assessed the following:

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

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), which 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: July 27, 2021 1 session	
Four (4) pre-hearing sessions with the Panel @ \$1,400.00/session	= \$ 5,600.00
Pre-Hearing Conferences: February 4, 2020 1 session	

	February 2, 2021	1 session	
	February 11, 2021	1 session	
	December 9, 2021	1 session	
Eight (8) hearing sessions @ \$1,400.00/session			= \$ 11,200.00
Hearings:	January 25, 2022	2 sessions	
	January 26, 2022	2 sessions	
	January 27, 2022	2 sessions	
	January 28, 2022	2 sessions	
<hr/> Total Hearing Session Fees			= \$ 17,250.00

The Panel has assessed the total hearing session fees to JPMS.

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

ARBITRATION PANEL

David F. Barrett	-	Public Arbitrator, Presiding Chairperson
Linda W. Hester	-	Public Arbitrator
John R. Michael, II	-	Non-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

David F. Barrett

David F. Barrett
Public Arbitrator, Presiding Chairperson

02/04/2022

Signature Date

Linda W. Hester

Linda W. Hester
Public Arbitrator

02/04/2022

Signature Date

John R. Michael, II

John R. Michael, II
Non-Public Arbitrator

02/04/2022

Signature Date

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February 04, 2022

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