

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Elizabeth B. Snyder, individually and as Trustee of
Elizabeth B. Snyder Revocable Trust U/A/D
8/18/1999 Amended and Restated 3/6/2012, as
Managing Member of Linkster Holdings, LLC, and
on behalf of Elizabeth Snyder IRA

Case Number: 18-03816

vs.

Respondents

J.P. Morgan Securities, LLC
Deutsche Bank Securities, Inc.
Montecito Advisors, Inc.
Barry Snyder

Hearing Site: Boca Raton, Florida

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: Customers vs. Members and Associated Person

This case was decided by an all-public panel.

The evidentiary hearing was conducted partially by videoconference.

REPRESENTATION OF PARTIES

For Claimants Elizabeth B. Snyder, individually and as Trustee of Elizabeth B. Snyder Revocable Trust U/A/D 8/18/1999 Amended and Restated 3/6/2012, as Managing Member of Linkster Holdings, LLC, and on behalf of Elizabeth Snyder IRA: Robert Wayne Pearce, Esq., Robert Wayne Pearce, P.A., Boca Raton, Florida.

For Respondent J.P. Morgan Securities, LLC (“J.P. Morgan”): Eugene L. Small, Esq., Eugene L. Small, P.C., New York, New York.

For Respondent Deutsche Bank Securities, Inc. (“Deutsche”): Allan N. Taffet, Esq., Bracewell LLP, New York, New York.

Respondent Montecito Advisors, Inc. (“Montecito”) did not appear.

For Respondent Barry Steven Snyder ("B. Snyder"): Neil S. Baritz, Esq., Baritz & Colman, LLP, Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed on or about: November 2, 2018.

Elizabeth B. Snyder, individually and on behalf of the Elizabeth Snyder IRA signed the Submission Agreement: November 1, 2018.

Elizabeth B. Snyder as Managing Member of Linkster Holdings, LLC signed the Submission Agreement: November 1, 2018.

Elizabeth B. Snyder as Trustee of Elizabeth B. Snyder Revocable Trust U/A/D 8/18/1999 signed the Submission Agreement: November 1, 2018.

Statement of Answer filed by Respondent J.P. Morgan on or about: January 31, 2019.
J.P. Morgan Securities, LLC signed the Submission Agreement: January 31, 2019.

Statement of Answer filed by Respondent Deutsche on or about: January 25, 2019.
Deutsche Bank Securities, Inc. signed the Submission Agreement: January 25, 2019.

Respondent Montecito did not file a Statement of Answer or sign the Submission Agreement.

Statement of Answer filed by Respondent B. Snyder on or about: January 8, 2019.
Barry Snyder signed the Submission Agreement: December 31, 2018.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: common law fraud; constructive fraud; negligent misrepresentation; breach of fiduciary duty; negligent management; negligent supervision; and fraudulent concealment. The causes of action relate to Claimants' traded securities through the use of margin, day trading, and short sales, as well as investments in stocks, such as Habitat Restaurants, Inc. and Global Eagle Entertainment, Inc.

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

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

Unless specifically admitted in the Statement of Answer, Respondent B. Snyder 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 in an amount to be determined; market-adjusted and lost opportunity damages; interest on their claim from the time thus accrued; punitive damages in an amount to be determined; and all other costs and expenses, including legal fees.

In the Statement of Answer, Respondent J.P. Morgan requested: that Claimants' Statement of

Claim be dismissed in its entirety; costs; and for such other and further relief deemed just and proper by the Panel.

In the Statement of Answer, Respondent Deutsche requested: that Claimants' Statement of Claim be dismissed in its entirety; costs and disbursements; attorneys' fees; and for any further relief deemed just and equitable by the Panel.

In the Statement of Answer, Respondent B. Snyder requested: that Claimants' Statement of Claim be dismissed in its entirety; attorneys' fees; costs and expenses; expungement of this matter from Respondent Snyder's Central Registration Depository ("CRD") records; and for such other and further relief deemed just, equitable, and proper by the Panel.

During Claimants' opening presentation, Claimants requested \$5,143,779.00, inclusive of prejudgment interest in the amount of \$1,050,712.00. At the conclusion of the hearing, Claimant requested that the Panel deduct from its compensatory damage award the settlement amounts (which were disclosed to the Panel) with Respondents J.P. Morgan and Deutsche.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Montecito did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Panel on all issues submitted.

Respondent Montecito did not file a Statement of Answer. FINRA attempted to serve Respondent Montecito with the Claim Notification letter dated November 2, 2018, the Overdue Notice (including the Statement of Claim) dated December 26, 2018, and the Notification of Arbitrator dated January 18, 2019, by regular and certified mail, all of which was returned to FINRA by the United States Postal Service. The Panel determined that the above efforts to serve Respondent Montecito were sufficient for purposes of determining service. The Panel determined that Respondent Montecito is, therefore, bound by the Arbitrators' ruling and determination.

On March 4, 2020, Claimant filed a notice of voluntary dismissal with prejudice for claims against Respondent Deutsche. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim against Respondent Deutsche.

On June 29, 2020, Claimant filed a notice of voluntary dismissal with prejudice for claims against Respondent J.P. Morgan. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim against Respondent J.P. Morgan.

Respondent Montecito did not appear at the evidentiary hearing.

Inasmuch as Respondent B. Snyder did not request expungement of his CRD records at the hearing, the Panel deemed Respondent B. Snyder's request withdrawn.

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. Respondent B. Snyder is liable for and shall pay to Claimants the sum of \$2,554,896.00 in compensatory damages.
2. Claimants' request for pre-judgment interest is denied.
3. Respondent B. Snyder is liable for and shall pay to Claimants post-judgment interest at the Federal Reserve interest rate to commence thirty (30) days after entry of the final Award.
4. Any and all claims for relief not specifically addressed herein, including any requests for attorneys' fees, punitive damages and treble damages, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	= \$ 1,575.00
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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 parties, Respondents J.P. Morgan, Deutsche, and Montecito are each assessed the following:

Member Surcharge	= \$ 1,900.00
Member Process Fee	= \$ 3,750.00

Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

February 25, 2019, cancellation requested by Claimants	= \$ 300.00
Total Late Pre-Hearing Cancellation Fees	= \$ 300.00

The Panel has assessed the total late pre-hearing cancellation fees jointly and severally to Claimants.

Discovery-Related Motion Fees

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

Claimants submitted three (3) discovery-related motions
Respondent B. Snyder submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 800.00

The Panel has assessed \$600.00 of the discovery-related motion fees jointly and severally to Claimants.

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

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: April 17, 2020 1 session

One (1) pre-hearing session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-Hearing Conference: February 26, 2019 1 session

Nine (9) hearing sessions @ \$1,125.00/session
Hearings: August 2, 2021 2 sessions = \$ 10,125.00
August 3, 2021 2 sessions
August 4, 2021 2 sessions
August 5, 2021 2 sessions
August 6, 2021 1 session

Total Hearing Session Fees = \$ 11,700.00

The Panel has assessed \$787.50 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$562.50 of the hearing session fees jointly and severally to Respondents J.P. Morgan, Deutsche, and B. Snyder.

The Panel has assessed \$225.00 of the hearing session fees to Respondent J.P. Morgan.

The Panel has assessed \$10,125.00 of the hearing session fees hearing session fees to Respondent B. Snyder.

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

ARBITRATION PANEL

Sidney J. Wartel	-	Public Arbitrator, Presiding Chairperson
Andrea R. Jacobs	-	Public Arbitrator
Stephen John Gohlke	-	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

Sidney J. Wartel

Sidney J. Wartel
Public Arbitrator, Presiding Chairperson

09/26/2021

Signature Date

Andrea R. Jacobs

Andrea R. Jacobs
Public Arbitrator

09/24/2021

Signature Date

Stephen John Gohlke

Stephen John Gohlke
Public Arbitrator

09/24/2021

Signature Date

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.

September 27, 2021

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