

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Mansoor Karamooz, Trustee for:
Karamooz Family Trust dated 06/20/2001
Mansoor Karamooz MD Inc Profit Sharing Plan
dated 01/01/1990 RST 01/01/2010
Mansoor Karamooz MD Inc Profit Sharing Plan
01/01/2010
Talaat Trust dated 06/30/09

Case Number: 17-00791

vs.

Respondent

J.P. Morgan Securities, LLC

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Mansoor Karamooz, Trustee for: Karamooz Family Trust dated 06/20/2001 ("Karamooz Family Trust"), Mansoor Karamooz MD Inc Profit Sharing Plan dated 01/01/1990 RST 01/01/2010, Mansoor Karamooz MD Inc Profit Sharing Plan dated 01/01/2010, and Talaat Trust dated 06/30/09 ("Talaat Trust") (collectively referred to as "Claimant"): Montgomery G. Griffin, Esq. and Theodore S. Avery, Esq., Law Offices of Montgomery G. Griffin, Newport Beach, California.

For Respondent J.P. Morgan Securities, LLC ("Respondent"): Jason R. Lindsay, Esq., Greenberg Traurig, LLP, Los Angeles, California.

CASE INFORMATION

First Amended Statement of Claim filed on or about: March 27, 2017.

Second Amended Statement of Claim dated: November 5, 2018.

Claimant signed the Submission Agreement: March 10, 2017.

Answer to the First Amended Statement of Claim filed by Respondent on or about: December 1, 2017.

Supplemental Answer to Second Amended Statement of Claim dated: January 2, 2019.

Respondent signed the Submission Agreement: December 4, 2017.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; fraud; omission of material facts; fraudulent concealment; recommendation of unsuitable investments and portfolios; inadequate supervision; equitable relief; violation of the rules and standards of securities industry, including without limitation, FINRA Rules 2310, FINRA Rule 3010, and NYSE Rule 405. The causes of action relate to alleged unsuitable management of Claimant's accounts by Respondent including concentration in high-risk, high-beta, and/or high standard deviation investments, including in Mannkind Corporation; and the SPDR Gold Trust, as well as junk-bonds and floating-rate "income" funds, and other securities.

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

In the Second Amended Statement of Claim, Claimant elaborated on the allegations in the First Amended Statement of Claim, including references to a third security at issue, Alibaba.

Unless specifically admitted in the Supplemental Answer to the Second Amended Statement of Claim, Respondent denied the allegations made in the First Amended Statement of Claim and incorporated its Answer to the First Amended Statement of Claim.

RELIEF REQUESTED

In the First Amended Statement of Claim, Claimant requested:

1. Compensatory damages subject to proof at the time of the arbitration hearing;
2. Punitive damages;
3. Reimbursement of his reasonable costs and expenses (including an assessment of all FINRA forum fees against Respondent); and
4. Any other relief the Panel deems just and equitable.

In the Answer to the First Amended Statement of Claim, Respondent requested:

1. The Statement of Claim be denied in its entirety with prejudice; and
2. Such other relief that the Panel deems fair and equitable.

In the Second Amended Statement of Claim, Claimant set forth the same relief request as in the Statement of Claim.

In the Supplemental Answer to the Second Amended Statement of Claim, Respondent requested that the Amended Statement of Claim be denied in its entirety.

At the close of the hearing, Claimant requested:

1. Compensatory damages in the amount of \$588,734.00 in respect of the following accounts:
 - a. Karamooz Family Trust – Commission (Account Number ending 421);

- b. Talaat Trust – Commission (Account Number ending 614);
 - c. Mansoor Karamooz MD Inc Profit Sharing Plan – Commission (Account Number ending 133);
 - d. Mansoor Karamooz MD Inc Profit Sharing Plan – Advisory (Account Number ending 506); and
2. Interest in the amount of \$119,118.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

On November 8, 2018, Claimant filed a Motion to Amend First Amended Statement of Claim. On November 19, 2018, Respondent filed an opposition to the motion. On November 26, 2018, Claimant filed a reply in support of the motion. By Order dated December 7, 2018, the Panel granted the motion and the Second Amended Statement of Claim became part of the record pursuant to Rule 12309(b) of the Code of Arbitration Procedure (“Code”).

The Panel found that the Account Number ending 133 was held in the name of Mansoor Karamooz MD Inc Profit Sharing Plan dated 01/01/1990 RST 01/01/2010.

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

1. Respondent is liable for and shall pay to Claimant Mansoor Karamooz as follows:
 - a. As Trustee for Karamooz Family Trust (Account Number ending 421):
 - i. The sum of \$3,860.00 in compensatory damages;
 - ii. The sum of \$810.60 in interest accrued from April 29, 2016 through and including April 29, 2019;
 - iii. Interest on the above-stated sum of \$3,860.00 in compensatory damages, at the rate of 7% per annum from April 30, 2019 until the award, including interest, is paid in full;
 - iv. The sum of \$750.72 in costs; and
 - v. The sum of \$1,360.80 in expert witness fees.
 - b. As Trustee for Talaat Trust (Account Number ending 614):
 - i. The sum of \$74,605.00 in compensatory damages;
 - ii. The sum of \$15,667.05 in interest accrued from April 29, 2016 through and including April 29, 2019;

- iii. Interest on the above-stated sum of \$74,605.00 in compensatory damages, at the rate of 7% per annum from April 30, 2019 until the award, including interest, is paid in full;
 - iv. The sum of \$14,493.24 in costs; and
 - v. The sum of \$26,271.00 in expert witness fees.
- c. As Trustee for Mansoor Karamooz MD Inc Profit Sharing Plan dated 01/01/1990 RST 01/01/2010 (Account Number ending 133):
- i. The sum of \$40,801.00 in compensatory damages;
 - ii. The sum of \$8,568.21 in interest accrued from April 29, 2016 through and including April 29, 2019;
 - iii. Interest on the above-stated sum of \$40,801.00 in compensatory damages, at the rate of 7% per annum from April 30, 2019 until the award, including interest, is paid in full;
 - iv. The sum of \$7,926.69 in costs; and
 - v. The sum of \$14,368.20 in expert witness fees.
2. Any and all claims for relief not specifically addressed herein, including punitive damages, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution 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 a party, Respondent is assessed the following:

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

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

Two (2) pre-hearing sessions with a single arbitrator @ \$450.00/session	=\$900.00
Pre-hearing conferences: October 3, 2018	2 sessions

Three (3) pre-hearing sessions with the Panel @ \$1,125.00/session		= \$3,375.00
Pre-hearing conferences:		
January 3, 2018	1 session	
October 19, 2018	1 session	
March 12, 2019	1 session	
Twenty-two (22) hearing sessions @ \$1,125.00/session		= \$24,750.00
Hearing Dates:		
October 22, 2018	2 sessions	
October 23, 2018	2 sessions	
October 24, 2018	2 sessions	
October 25, 2018	2 sessions	
March 18, 2019	2 sessions	
March 19, 2019	2 sessions	
March 20, 2019	2 sessions	
April 29, 2019	2 sessions	
April 30, 2019	2 sessions	
May 20, 2019	2 sessions	
May 21, 2019	2 sessions	
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Total Hearing Session Fees		= \$29,025.00

The Panel has assessed \$1,575.00 of the hearing session fees to Claimant.
The Panel has assessed \$27,450.00 of the hearing session to Respondent.

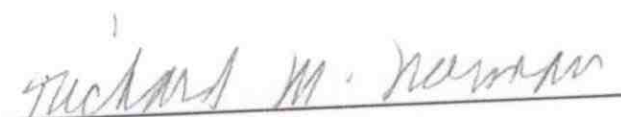
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Richard M. Norman	-	Public Arbitrator, Presiding Chairperson
Edward H. Davis	-	Public Arbitrator
Barry A. Fisher	-	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.

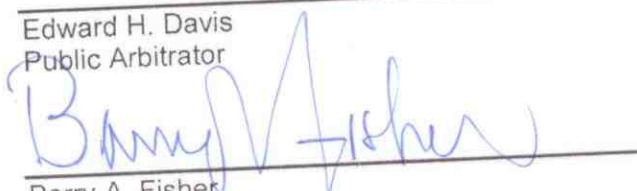
Concurring Arbitrators' Signatures



Richard M. Norman
Public Arbitrator, Presiding Chairperson

6/28/19

Signature Date

Edward H. Davis
Public Arbitrator


Barry A. Fisher
Public Arbitrator

Signature Date
6/28/19

Signature Date

July 1, 2019

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

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Richard M. Norman	-	Public Arbitrator, Presiding Chairperson
Edward H. Davis	-	Public Arbitrator
Barry A. Fisher	-	Public Arbitrator

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Concurring Arbitrators' Signatures

Richard M. Norman
Public Arbitrator, Presiding Chairperson

Signature Date



Edward H. Davis
Public Arbitrator



Signature/Date

Barry A. Fisher
Public Arbitrator

Signature Date

July 1, 2019
Date of Service (For FINRA Office of Dispute Resolution office use only)