

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimant/Counter-Respondent

Case Number: 09-01371

MF Global Inc.

Respondent/Counter-Claimant

Hearing Site: Los Angeles, California

Sohan Dua

Nature of the Dispute: Member v. Customer
Customer v. Member

REPRESENTATION OF PARTIES

Claimant/Counter-Respondent, MF Global Inc., hereinafter referred to as "Claimant":
John W. Cotton, Esq., Cotton & Gundzik LLP, Los Angeles, California.

Respondent/Counter-Claimant, Sohan Dua, hereinafter referred to as "Respondent":
Montgomery G. Griffin, Esq., Law Office of Montgomery G. Griffin, Newport Beach,
California.

CASE INFORMATION

Statement of Claim filed on or about: March 11, 2009.

Claimant signed the Submission Agreement: February 25, 2009.

Statement of Answer filed by Respondent on or about: August 14, 2009.

Respondent signed the Submission Agreement: August 15, 2009.

Counterclaim filed by Respondent on or about: April 9, 2010.

Answer to the Counterclaim filed by Claimant on or about: May 12, 2010.

CASE SUMMARY

Claimant asserted breach of contract. The claim relates to a Customer Agreement regarding self-directed futures brokerage accounts.

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

In his Counterclaim, Respondent asserted the following causes of action: 1) violations of FINRA rules; 2) violations of section 29536 of the California Corporations Code; 3) fraud and deceit by affirmative misrepresentations; 4) common law fraud; 5) omission of material facts; 6) constructive fraud; 7) negligent misrepresentation; 8) breach of fiduciary duty; 9) unfair business practices pursuant to section 17200 of the California Business & Professions Code; and 10) failure to supervise.

Unless specifically admitted in its Answer to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. The deficit balance in the amount of \$454,432.12;
2. Interest;
3. Costs of collection; and
4. Attorneys' fees.

In his Answer, Respondent requested that the Statement of Claim be denied.

In his Counterclaim, Respondent requested:

1. Out-of-pocket losses in an amount of not less than \$600,000;
2. An award expressly relieving him of any further liability for the debit balance sought by Claimant (alleged to be in the amount of approximately \$454,000.00);
3. Consequential damages subject to proof at the hearing;
4. Punitive and exemplary damages in an amount to be determined by the Panel;
5. Pre-judgment interest on the losses at the legal rate of 10% per annum;
6. Costs of arbitration and expenses, including attorneys' fees, expert witness and consultant fees; and
7. Any other costs deemed reasonable by Panel.

In its Answer to the Counterclaim, Claimant requested:

1. That the Counterclaim be denied in its entirety;
2. That the Panel award Claimant the full amount of its debit claim;
3. Pre-judgment interest at the rate of 10% per annum for the time period of October 8, 2008 to the date of hearing;
4. Attorneys' fees; and
5. Costs of the proceedings including costs for expert witnesses.

At the close of the hearing, Claimant requested \$644,265.37 in damages.

At the close of the hearing, Respondent requested \$185,948.00-\$350,580.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about April 9, 2010, the Panel granted Respondent's request to file a Counterclaim.

The parties 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 the 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 to and shall pay Claimant compensatory damages in the amount of \$100,000.00.
2. Any and all relief not specifically addresses herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

| | |
|--------------------------|--------------|
| Initial claim filing fee | = \$2,125.00 |
| Counterclaim filing fee | = \$1,800.00 |

**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, MF Global Inc., is assessed the following:

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,700.00 |
| Pre-hearing process fee | = \$ 750.00 |
| Hearing process fee | = \$2,750.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 5-7, 2010, adjournment by Respondent = \$1,125.00

1. The Panel has assessed \$562.50 of the adjournment fees to Claimant.
2. The Panel has assessed \$562.50 of the adjournment fees to Respondent.

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 Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: October 13, 2009 1 session

Thirteen (13) hearing sessions @ \$1,200.00/session = \$15,600.00
Hearing Dates: July 15, 2010 2 sessions
July 16, 2010 2 sessions
July 22, 2010 2 sessions
July 23, 2010 2 sessions
September 15, 2010 2 sessions
September 16, 2010 3 sessions

Total Hearing Session Fees = \$16,725.00


1. The Panel has assessed \$8,362.50 of the hearing session fees to Claimant.
2. The Panel has assessed \$8,362.50 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

| | | |
|-----------------------|---|--|
| Robert C. Albini | - | Public Arbitrator, Presiding Chairperson |
| Milton N. Gross | - | Public Arbitrator |
| Andrea Luise Halperin | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures


Robert C. Albini
Public Arbitrator, Presiding Chairperson

12/22/10
Signature Date

Milton N. Gross
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

I am dissenting on the Award. I absolutely and strongly disagree with the Award. I believe the facts and evidence of the case does not support in any way whatsoever the Award that the majority prepared. The Award is neither reasonable nor equitable. The facts and evidence demonstrate serious wrongdoing by MF Global. MF Global showed substantial misconduct. MF Global violated industry standards as well as their own MF Global Futures Supervisory and Compliance Manual. Based on the facts and evidence of the case, I recommend vacating the Award.

Andrea Luise Halperin
Non-Public Arbitrator

Signature Date

December 23, 2010
Date of Service (For FINRA Dispute Resolution use only)


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Andrea Luise Halperin
Non-Public Arbitrator

12-21-2010

Signature Date

December 23, 2010
Date of Service (For FINRA Dispute Resolution use only)