

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
James Dean

Case Number: 23-00060

vs.

Respondent
J.P. Morgan Securities LLC

Hearing Site: Los Angeles, California

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

The evidentiary hearing was conducted partially by videoconference.

REPRESENTATION OF PARTIES

For Claimant James Dean: Barry R. Lax, Esq., Lax & Neville LLP, New York, New York.

For Respondent J.P. Morgan Securities LLC: Kirsten M. Grossman, Esq., Natalie Bryans, Esq. and Lisa Geraghty, Esq., Nukk-Freeman & Cerra, P.C., San Diego, California.

CASE INFORMATION

Statement of Claim filed on or about: January 6, 2023.

Amended Statement of Claim filed on or about: March 15, 2023.

Claimant signed the Submission Agreement: January 5, 2023.

Answer to the Amended Statement of Claim filed by Respondent on or about: April 24, 2023.

Respondent signed the Submission Agreement: May 17, 2023.

CASE SUMMARY

In the Statement of Claim, as amended, Claimant asserted the following causes of action: breach of contract; California Labor Code / California Unfair Competition Law; breach of the implied covenant of good faith & fair dealing; and unjust enrichment.

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

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimant requested:

1. Monetary damages equal to his unpaid earned Incentive Award and deferred compensation in an amount to be proven at the hearing but in no event less than \$1,400,000.00 plus \$81,000.00 in severance pay;
2. Attorneys' fees and costs, including those required by the California Labor Code;
3. Liquidated and punitive damages as required by the California Labor Code;
4. Prejudgment interest;
5. Interest to run as required by the California Labor Code; and
6. Such other relief as the Panel deems just, equitable and proper.

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

1. The Statement of Claim be dismissed with prejudice in its entirety;
2. All requests for relief in the Statement of Claim be denied;
3. Attorneys' fees;
4. Costs;
5. Interest; and
6. Such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

On April 2, 2025, Claimant submitted a Motion for Sanctions. On April 11, 2025, Respondent submitted an opposition to the Motion for Sanctions. On April 16, 2025, Claimant submitted a reply in support of the Motion for Sanctions. On April 22, 2025, the Panel granted the Motion for Sanctions and issued the following order:

Respondent shall pay Claimant's reasonable attorneys' fees and costs incurred in connection with the Motion for Sanctions.

Claimant shall submit a detailed statement of fees and costs on or before May 6, 2025.

Respondent may file objections, if any, on or before May 13, 2025.

The Panel will issue a separate order determining the amount awarded if the parties do not reach agreement.

This Order is entered on the Panel's authority under FINRA Rules 13212 and 13511.

During the recorded evidentiary hearing, after Claimant's case in chief, Respondent moved for dismissal of Claimant's claims and requested for a new hearing on the grounds that Claimant's counsel improperly inserted himself as a fact witness. On June 14, 2025, the Panel denied the motion to dismiss and for a new hearing for the reasons stated in the Findings section below.

The Panel has provided an explanation of the decision in this award. The explanation is for the parties' information only and is not precedential in nature.

FINDINGS

Respondent argues that Claimant's counsel, Barry Lax, improperly inserted himself as a fact witness by asserting during his opening statement that he had a phone call in December 2021 with JPMS's former CEO, Christopher Harvey, in which alleged compensation promises were made to Claimant. Respondent contends that counsel's statements and related exhibits improperly prejudiced the Panel and requires a mistrial.

The Panel notes that while it was made aware of the existence of a purported phone call, it did not hear any testimony regarding the substance of that call. Mr. Harvey testified that he did not recall the call. No witness testified as to the contents of the conversation.

The Panel previously ruled that Mr. Lax could not testify as a witness and could not introduce his personal notes or statements about the phone call. The Panel permitted Exhibits C-124 and C-180 to be presented solely for the purpose of attempting to refresh Mr. Harvey's recollection and, upon failure to do so, admitted them into evidence solely for authentication purposes, not for the truth of any statement or conversation.

The Panel affirms that opening statements are not evidence, and the Panel has not treated them as such. No testimony or admissible evidence was introduced regarding the content of the alleged conversation between Mr. Lax and Mr. Harvey.

The Panel concludes that Respondent has not shown incurable prejudice or misconduct that would warrant declaring a mistrial, dismissing the matter, or re-paneling the case. The Panel finds that any potential for prejudice was properly mitigated by its prior rulings and by the evidentiary limits placed on the materials and arguments presented.

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 the sum of \$675,970.72 in compensatory damages, of which \$675,970.72 constitutes back wages.
2. Respondent is liable for and shall pay to Claimant the sum of \$121,075.77 in prejudgment interest, which represents 5% simple interest from December 22, 2021 through and including July 25, 2025.
3. Respondent is liable for and shall pay to Claimant the sum of \$300,749.30 in attorneys' fees pursuant to California Labor Code § 218.5(a).
4. If this Award is not paid within thirty (30) days of service, Respondent is liable for and shall pay to Claimant simple interest on the unpaid amount at the rate of 5% per annum, beginning on the 31st day after service and continuing until paid in full.

5. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, are denied.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	= \$ 2,025.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), Claimant is assessed \$200.00 of the non-refundable portion of the filing fee. The balance of the non-refundable portion of the filing fee, in the amount of \$425.00, is assessed to Respondent.

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, Respondent is assessed the following:

Member Surcharge	= \$ 3,200.00
Member Process Fee	= \$ 6,375.00

Postponement Fees

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

February 29 – March 1, March 4 – 8, 2024, postponement requested by parties	=	WAIVED
March 3 – 7, 2025, postponement requested by parties	= \$	1,435.00

Total Postponement Fees	= \$ 1,435.00
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Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), the Panel has assessed the total postponement fees to Respondent.

Discovery-Related Motion Fees

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

One (1) decision on a discovery-related motion on the papers with the Panel @ \$600.00/decision	= \$ 600.00
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Claimant submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees	= \$ 600.00
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Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), the Panel has assessed the total discovery-related motion 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 Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which 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: February 5, 2025	1 session	
March 5, 2025	1 session	
One (1) pre-hearing session with the Panel @ \$1,435.00/session	= \$	1,435.00
Pre-Hearing Conference: May 8, 2023	1 session	
Seventeen (17) hearing sessions @ \$1,435.00/session	= \$	24,395.00
Hearings: June 2, 2025	2 sessions	
June 3, 2025	2 sessions	
June 4, 2025	2 sessions	
June 5, 2025	2 sessions	
June 6, 2025	2 sessions	
June 9, 2025	1 session	
June 11, 2025	2 sessions	
July 11, 2025	2 sessions	
July 24, 2025	2 sessions	
<hr/> Total Hearing Session Fees		= \$ 26,730.00

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83 (2000), the Panel has assessed the total hearing session fees to Respondent.

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

ARBITRATION PANEL

Andrew W. Levin	-	Public Arbitrator, Presiding Chairperson
Katherine Joan Cameron	-	Public Arbitrator
Mario H. Metzger	-	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

Andrew W. Levin

Andrew W. Levin
Public Arbitrator, Presiding Chairperson

08/06/2025

Signature Date

Katherine Joan Cameron

Katherine Joan Cameron
Public Arbitrator

08/07/2025

Signature Date

Mario H. Metzger

Mario H. Metzger
Non-Public Arbitrator

08/06/2025

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.

August 07, 2025

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