

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

William and Kathryn Montony

Case Number: 17-01402

vs.

Respondents

J.P. Turner & Company, L.L.C.
Summit Brokerage Services, Inc.
LPL Financial LLC
Purshe Kaplan Sterling Investments, Inc.
Christopher Charles Burtraw
CS Planning Corp

Hearing Site: Denver, Colorado

Nature of the Dispute: Customers vs. Members, Associated Person and Non-Member

REPRESENTATION OF PARTIES

For Claimants William and Kathryn Montony (“Claimants”): Thomas J. Wolf, Esq., Ireland Stapleton Pryor & Pascoe, PC, Denver, Colorado.

For Respondent J.P. Turner & Company, L.L.C. (“J.P. Turner”) and Summit Brokerage Services, Inc. (“Summit”): Derek C. Anderson, Esq., Winget Spadafora Schwartzberg LLP, Boulder, Colorado.

For Respondent LPL Financial LLC (“LPL”): Autumn Crowell, Esq., LPL Financial LLC, Boston, Massachusetts.

For Respondent Purshe Kaplan Sterling Investments, Inc. (“Purshe Kaplan”): Elizabeth Del Cid, Esq., Murphy & McGonigle, P.C., New York, New York.

Respondent Christopher Charles Burtraw (“Burtraw”) did not enter an appearance in this matter.

Respondent CS Planning Corp (“CSP”) did not enter an appearance in this matter.

J.P. Turner, Summit, LPL, Purshe Kaplan, Burtraw and CSP are hereinafter collectively referred to as “Respondents.”

CASE INFORMATION

Statement of Claim filed on or about: May 26, 2017.

Claimants signed the Submission Agreement: June 29, 2017.

Statement of Answer filed by J.P. Turner and Summit on or about: August 24, 2017.

Statement of Answer filed by LPL on or about: August 25, 2017.

Amended Answer filed by LPL on or about: August 28, 2017.

Statement of Answer filed by Purshe Kaplan on or about: August 24, 2017.

J.P. Turner signed the Submission Agreement: August 7, 2017.

Summit signed the Submission Agreement: August 21, 2017.

LPL signed the Submission Agreement: August 23, 2017.

Purshe Kaplan signed the Submission Agreement: August 15, 2017.

Burtraw and CSP did not sign Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action against Burtraw: violation of C.R.S. §§ 11-51-501 (Colorado securities fraud) and 11-51-501(5) (Colorado Investment Adviser Fraud); violation of Section 10(b) of the Securities Exchange Act (federal securities fraud); and common law fraud. Claimants asserted the following causes of action against all Respondents except Burtraw: violation of Colorado securities law (control person liability) and violation of federal securities law (Section 20(A) of the Exchange Act control person liability). Claimants asserted the following causes of action against all Respondents except Summit: unsuitability and common law breach of fiduciary duty. Claimants asserted the following causes of action against all Respondents except Summit and Burtraw: vicarious liability and negligent supervision.

The causes of action relate to Claimants' investment in the following: promissory notes personally guaranteed by Burtraw; REITs (Cole Credit Property Trust and United Development Funding IV); business development companies; and a drilling partnership.

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

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

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. Actual, compensatory, consequential and incidental damages resulting from Respondents' acts or omissions;
2. Exemplary damages against Respondents pursuant to C.R.S. § 13-21-102;

3. Reasonable attorneys' fees incurred in connection with this arbitration in accordance with applicable law, including without limitation, C.R.S. § 11-51-604(5);
4. Prejudgment, moratory and post-judgment interest on any monetary award according to the maximum allowable legal rate and according to the applicable law including, but not limited to, C.R.S. § 11-51-604(5); and
5. Such other and further relief as the arbitrators deem appropriate.

In the Statement of Answer, J.P. Turner and Summit requested:

1. An award in its favor and against Claimants;
2. Attorneys' fees; and
3. All costs of this proceeding be assessed against Claimants.

In the Statement of Answer and Amended Answer, LPL requested:

1. Dismissal of this action and that LPL's portion of the forum fees be assessed against Claimants; and
2. Any other relief that the Panel deems just and proper.

In the Statement of Answer, Purshe Kaplan requested:

1. Dismissal of Claimants' claims in their entirety; and
2. An award of attorneys' fees, forum fees, costs and expenses in its favor.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that she has read the pleadings and other materials filed by the parties.

Burtraw did not file with FINRA Office of Dispute Resolution a Statement of Answer or 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 Arbitrator on all issues submitted.

CSP is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Arbitrator made no determination with respect to Claimants' claims against CSP.

On November 1, 2017, Claimants filed an Affidavit of Service stating that Burtraw was served with the Statement of Claim and exhibits by a private process server. The Affiant (also the private process server) attested that he personally handed the Statement of Claim to Burtraw. Accordingly, the Arbitrator determined that Burtraw was served with the Statement of Claim, had notice of this arbitration case and is therefore bound by the Arbitrator's ruling and determination.

On August 30, 2018, Claimants filed a notice of settlement of their claims with LPL, Purshe Kaplan, J.P. Turner and Summit (the "Settling Respondents"). Claimants also requested entry of an order staying all current and future deadlines pending the execution of final settlement documentation between Claimants and the Settling Respondents. Claimants further advised that they will begin default proceedings against Burtraw pursuant to Rule 12801 of the Code. No responses were received. The Panel

granted the stay request and ordered that all current and future deadlines are stayed pending the execution of final settlement documentation between Claimants and the Settling Respondents.

On October 4, 2018, Claimants advised FINRA Office of Dispute Resolution that they and the Settling Respondents reached a final settlement. That same day, Claimants dismissed LPL and Purshe Kaplan with prejudice from this matter. On October 9, 2018 Claimants dismissed J.P. Turner and Summit with prejudice from this matter.

On October 8, 2018, Claimants requested that FINRA initiate default proceedings against Burtraw pursuant to Rule 12801 of the Code. By letter dated October 26, 2018, FINRA advised that Claimants' claims would proceed against Burtraw under Rule 12801 and that the Chairperson would be the single arbitrator appointed to consider the Statement of Claim and all other documents presented by Claimants.

On December 12, 2018, the Arbitrator ordered Claimants to produce additional documentation regarding their claims against Burtraw. On January 16, 2019, Claimants filed a response to the December 12 Order and included the requested additional documentation.

AWARD

After considering the pleadings, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Burtraw is liable for and shall pay to Claimants the amount of \$500,000.00 in compensatory damages.
2. Any and all claims for relief not specifically addressed herein, including exemplary damages and attorneys' fees, 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, J.P. Turner is assessed the following:

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

Accordingly, as a party, Summit is assessed the following:

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

Accordingly, as a party, LPL is assessed the following:

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

Accordingly, as a party, Purshe Kaplan is assessed the following:

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

Postponement Fees

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

October 16-19, 2018, postponement by Claimants and the Settling Respondents	= \$ 1,125.00
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Total Postponement Fees	= \$ 1,125.00
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The Arbitrator has assessed \$562.50 of the adjournment fees jointly and severally to Claimants.

The Arbitrator has assessed \$562.50 of the adjournment fees jointly and severally to the Settling Respondents.

Discovery-Related Motion Fee

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

Two (2) decisions on discovery-related motions on the papers with one (1) arbitrator @ \$200.00/decision	= \$ 400.00
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Claimants submitted (1) discovery-related motion
Purshe Kaplan submitted (1) discovery-related motion

Total Discovery-Related Motion Fees	= \$ 400.00
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The Arbitrator has assessed \$200.00 of the discovery-related motion fees jointly and severally to Claimants.

The Arbitrator has assessed \$200.00 of the discovery-related motion fees to Purshe Kaplan.

ARBITRATOR

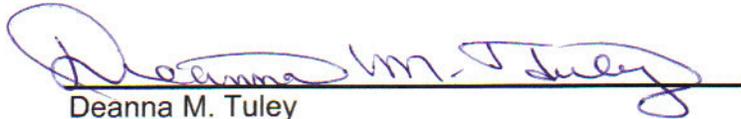
Deanna M. Tuley

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Sole 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.

Arbitrator's Signature



Deanna M. Tuley
Sole Public Arbitrator

20 April 2019
Signature Date

April 23, 2019
Date of Service (For FINRA Office of Dispute Resolution office use only)