

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Linda Smith

Case Number: 24-00004

vs.

Respondent
Michael Frager
Joshua Helmle

Hearing Site: San Diego, 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: Customer vs. Associated Persons

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Linda Smith (“Claimant”): August M. Iorio, Esq., Iorio Altamirano LLP, New York, New York.

Respondent Michael Frager (“Frager”) appeared pro se.

Respondent Joshua Helmle (“Helmle”) appeared pro se.

Hereinafter, Frager and Helmle are collectively referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: December 29, 2023.
Claimant signed the Submission Agreement: December 29, 2023.

Statement of Answer filed by Frager on or about: March 9, 2024.
Frager signed the Submission Agreement: March 13, 2024.

Statement of Answer filed by Helmle on or about: February 20, 2024.
Helmle signed the Submission Agreement: February 21, 2024.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: negligence; unsuitability; fraudulent misrepresentations and omissions; securities fraud; common law fraud; breach of fiduciary duty; breach of contract; and failure to supervise in violation of federal securities laws, common law, California state law, California common law, California's securities antifraud provisions, industry standards, and FINRA Rules, including FINRA Rules 2111 and 2010. The causes of action relate to Claimant's investment in GWG Holdings, Inc. L Bonds.

Unless specifically admitted in the Statement of Answer, Frager denied the allegations made in the Statement of Claim.

Unless specifically admitted in the Statement of Answer, Helmle denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Compensatory damages of approximately \$125,000.00, plus pre-and post-judgment interest and "well-managed account" damages;
2. Recovery of all costs, attorneys' fees, expert fees, and forum fees of this arbitration; and
3. Punitive damages in an amount sufficient to punish and deter any future misconduct by Respondents.

In the Statement of Answer, Frager requested the case be dismissed.

In the Statement of Answer, Helmle did not set forth a specific relief request.

OTHER ISSUES CONSIDERED AND DECIDED

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

On December 24, 2024, Claimant filed a notice of voluntary dismissal with prejudice of all claims against Frager. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim with respect to Frager.

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. Helmle is liable for and shall pay to Claimant the sum of \$65,000.00 in damages.
2. Helmle is liable for and shall pay to Claimant interest on the above-stated sum at the rate of 10% per annum from the date of service of this Award until the Award is paid in full.

3. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and attorneys' fees, 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	= \$ 1,425.00
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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 Respondent's former firm, Integrity Brokerage, LLC is assessed the following:

Member Surcharge	= \$ 1,700.00
Member Process Fee	= \$ 3,250.00

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 one (1) Arbitrator @ \$200.00/decision	= \$ Waived
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Claimant submitted one (1) discovery-related motion

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 the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-Hearing Conference: April 16, 2024	1 session
Five (5) hearing sessions @ \$1,125.00/session	= \$ 5,625.00
Hearings: January 21, 2025	1 session
January 22, 2025	2 sessions
January 23, 2025	2 sessions

Total Hearing Session Fees	= \$ 6,750.00
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The Panel has assessed \$562.50 of the hearing session fees to Claimants.

The Panel has assessed \$281.25 of the hearing session fees to Frager.

The Panel has assessed 5,906.25 of the hearing session fees Helmle.

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

ARBITRATION PANEL

Benjamin F. Breslauer	-	Public Arbitrator, Presiding Chairperson
Deanna J. Johnson	-	Public Arbitrator
Justin Lee Calabro	-	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

Benjamin F. Breslauer

Benjamin F. Breslauer
Public Arbitrator, Presiding Chairperson

02/07/2025

Signature Date

Deanna J. Johnson

Deanna J. Johnson
Public Arbitrator

02/07/2025

Signature Date

Justin Lee Calabro

Justin Lee Calabro
Public Arbitrator

02/06/2025

Signature Date

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February 07, 2025

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