

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

Citigroup Global Markets, Inc.

Hearing Site: Miami, Florida

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████: Dochter D. Kennedy, Esq. and Owen Harnett, Esq.
AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Citigroup Global Markets, Inc.: Kurt T. Kalberer, II., Esq., Bressler,
Amery & Ross, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: November 2, 2016.

██████████ signed the Submission Agreement: November 2, 2016.

Amended Statement of Claim filed by Claimant on or about: November 23, 2016.

Statement of Answer filed by Respondent on or about: December 27, 2016.

Citigroup Global Markets, Inc. signed the Submission Agreement: January 4, 2017.

Motion to File [Second] Amended Statement of Claim filed by Claimant on or about: June 9, 2017.

[Second] Amended Statement of Claim deemed filed by Claimant on or about: June 13, 2017.

Answer to [Second] Amended Statement of Claim filed by Respondent on or about: July 5, 2017.

CASE SUMMARY

In the Statement of Claim, as amended, Claimant asserted the cause of action of inaccurate reporting on his Central Registration Depository ("CRD") record. The cause of action relates to a customer complaint, Occurrence No. ██████████, in connection with a settled FINRA Arbitration, Case No. ██████████, Customers vs. Morgan Stanley Smith Barney, successor to Citigroup Global Markets, Inc., which was recorded by Respondent on Claimant's CRD record.

In the Statements of Answer, Respondent did not object to the expungement request.

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimant requested \$1.00 in compensatory damages, expungement of all references to Occurrence No. [REDACTED] from his CRD record, and any and all other relief deemed just and equitable by the Arbitrator.

In the Statements of Answer, Respondent requested Claimant's request for compensatory damages be denied and for all forum fees to be assessed solely against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about November 23, 2017, prior to the Arbitrator's appointment, Claimant filed his Amended Statement of Claim to make changes to the factual background and to add an exhibit.

On or about March 28, 2017, and June 13, 2017, the Arbitrator directed Claimant's counsel to provide a copy of the Statement of Claim and notice of hearing in this arbitration to the underlying customers that filed the Complaint. On or about April 4, 2017, May 5, 2017, June 21, 2017, and July 21, 2017, Claimant filed with FINRA Office of Dispute Resolution proof of service of the Statement of Claim to the underlying customers in the Complaint, and advised the customers of their right to participate in the expungement hearings scheduled for June 13, 2017, and August 8, 2017.

On or about June 9, 2017, Claimant filed a Motion to File [Second] Amended Statement of Claim for the purpose of adding a request for expungement pursuant to FINRA Rule 2080(b)(1)(B), asserting that Claimant was not involved in the alleged investment-related sales practice violation. The [Second] Amendment also clarified that Claimant's business partner was acting on behalf of the underlying customers, not Claimant. Respondent did not oppose Claimant's Motion. On June 13, 2017, the Arbitrator issued an Order in which he granted Claimant's Motion.

The Arbitrator conducted a recorded telephonic hearing on August 8, 2017, so the parties could present oral argument and evidence on Claimant's request for expungement. Respondent appeared at the expungement hearing and did not contest the expungement request. Respondent reiterated its request that Claimant's relief request for \$1.00 in compensatory damages be withdrawn, as there was no wrongdoing by Respondent. In response to Respondent's request, Claimant withdrew his claim for \$1.00 in compensatory damages and stated that there was no wrongdoing by Respondent. The customers did not contest Claimant's request for expungement and did not appear at the hearing.

The Arbitrator reviewed the BrokerCheck® Report for Claimant and the settlement documents, considered the amount of payments made to any party, and considered

other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on the customers not opposing the request for expungement. The Arbitrator also noted that Claimant did not contribute to the settlement amount, and Respondent did not seek reimbursement from him.

The Arbitrator noted that Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings; the BrokerCheck® Report of Claimant; and the December 2010 Settlement Agreement for the Complaint.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the recorded telephonic hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator recommends the expungement of all references to Occurrence No. [REDACTED] from Claimant [REDACTED] (CRD# [REDACTED]) registration record maintained by the CRD, with the understanding that, pursuant to Notice to Members 04-16, Claimant must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code of Arbitration Procedure (the "Code"), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Arbitrator has made the above Rule 2080 finding based on the following reasons:

Claimant was not the primary account executive on the customers' account. Claimant covered for the primary account executive when he was on vacation. Claimant did not recommend the trades at issue to the customers.

2. Any other requests for relief 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 = \$ 50.00

*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(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 = \$ 150.00

Postponement Fees

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

June 13, 2017, postponement by Claimant = \$ 50.00

Total Postponement Fees = \$ 50.00

The Arbitrator has assessed the total adjournment fee of \$50.00 to Claimant.

Last Minute Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within ten calendar days before the start of a scheduled hearing session:

June 13, 2017, postponement by Claimant = \$ 600.00

Total Last Minute Cancellation Fees = \$ 600.00

The Panel has assessed the entire last minute cancellation fee of \$600.00 to Claimant.

Discovery-Related Motion Fee

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 = \$ 200.00

Claimant submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 200.00

The Arbitrator has assessed \$100.00 of the discovery-related motion fee to Claimant.

The Arbitrator has assessed \$100.00 of the discovery-related motion fee to Respondent.

Hearing Session Fees and Assessments

The Arbitrator 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:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$	50.00
Pre-hearing conference: June 13, 2017 1 session		
One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing Date: August 8, 2017 1 session		
<hr/>		
Total Hearing Session Fees	= \$	100.00

The Arbitrator assessed the total hearing session fees of \$100.00 to Claimant.

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

FINRA Office of Dispute Resolution
Arbitration No. [REDACTED]
Award Page 6 of 6

ARBITRATOR

Steven R. Reininger

-

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



Steven R. Reininger
Sole Public Arbitrator

8/21/17

Signature Date

August 21, 2017

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