

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

████████████████████

Case Number: ██████████

vs.

Respondents

Citigroup Global Markets, Inc.
A.G. Edwards & Sons, Inc.
Next Financial Group, Inc.

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

For Claimant ██████████: Dochter Kennedy, AdvisorLaw, LLC, Broomfield, Colorado.

For Respondent Citigroup Global Markets, Inc. ("Citigroup Global"): David I. Hantman, Esq., Bressler, Amery & Ross, P.C., New York, New York.

For Respondent A.G. Edwards & Sons, Inc. ("A.G. Edwards"): Angela A. Turiano, Esq. and Diana Harper, Esq., Bressler, Amery & Ross, P.C., New York, New York.

For Respondent Next Financial Group, Inc. ("Next Financial"): John T. Unger, Esq., Next Financial Group, Inc., Houston, Texas.

CASE INFORMATION

Statement of Claim filed on or about: November 7, 2016.

████████████████████ signed the Submission Agreement: November 7, 2016.

Statement of Answer filed by Respondent Citigroup Global Markets, Inc. on or about: December 28, 2016.

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

Statement of Answer filed by Respondent A.G. Edwards & Sons, Inc. on or about: January 25, 2017.

A.G. Edwards & Sons, Inc. did not sign the Submission Agreement.

Statement of Answer filed by Respondent Next Financial Group, Inc. on or about: December 12, 2016.

Next Financial Group, Inc. signed the Submission Agreement: December 13, 2016.

CASE SUMMARY

Claimant asserted the following causes of action: expungement.

Respondents did not oppose Claimant's request for expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED], [REDACTED], and [REDACTED] from his Central Registration Depository ("CRD") record pursuant to FINRA Rule 2080(b)(1)(A) and FINRA Rule 2080(b)(1)(C); damages in the amount of \$1.00 from the Respondents for their part in contributing to the Claimant's injury; and any and all other relief that the Arbitrator deems just and equitable.

In its Statement of Answer, Respondent Citigroup Global did not oppose Claimant's request for expungement, but requested that Claimant's request for \$1.00 be denied.

In its Statement of Answer, Respondent A.G. Edwards did not oppose Claimant's request for expungement, and requested that no forum fees be assessed against it and that all other fees associated with this matter be assessed solely against Claimant.

In its Statement of Answer, Respondent Next Financial did not oppose Claimant's request for expungement, but requested that Claimant's request for an award of damages be denied in its entirety and that Claimant be assessed with all forum fees, costs and other charges relating to this case, as provided in FINRA Rule 13805(d).

At the close of the hearing, Claimant withdrew his request for damages in the amount of \$1.00 from each Respondent.

OTHER ISSUES CONSIDERED AND DECIDED

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

By letter dated March 22, 2017, Claimant notified the customers related to occurrence #'s [REDACTED], [REDACTED], and [REDACTED] of his expungement request and of their right to participate and testify at the expungement hearing and he provided the customers with a copy of the Statement of Claim.

The Arbitrator conducted a recorded telephonic expungement hearing on July 24, 2017 so the parties could present oral argument and evidence on Claimant's request for expungement of occurrence [REDACTED].

The customers related to occurrence # [REDACTED] did not participate in the expungement hearing and did not contest the request for expungement.

The Arbitrator reviewed the BrokerCheck® Report for Claimant related to occurrence [REDACTED]. The Arbitrator did not review the settlement documents, as they were not

produced since Respondent A.G. Edward is no longer in business. The Arbitrator noted that he could not confirm whether that settlement was conditioned on the customer not opposing the request for expungement. Nevertheless, the settlement was executed prior to the effective date of FINRA Rule 2081. The Arbitrator, however, considered the amount of payments made to the customers. The Arbitrator also noted that Claimant testified that Respondent A.G. Edwards settled with the customer in the underlying claim without affording Claimant the opportunity to participate, and after the settlement, half of the \$8,000.00 settlement was deducted as a charge to the Claimant.

In recommending expungement of occurrence [REDACTED], the Arbitrator relied upon the following documentary or other evidence: Claimant's Statement of Claim, Respondent A.G Edwards' Statement of Answer, Claimant's BrokerCheck® Report, and the testimony and evidence presented at the telephonic expungement hearing held on July 24, 2017.

The Arbitrator conducted a recorded telephonic expungement hearing on July 25, 2017 so the parties could present oral argument and evidence on Claimant's request for expungement of occurrence [REDACTED].

The customer related to occurrence [REDACTED] did not participate in the expungement hearing, but contested the request for expungement.

In recommending expungement of occurrence [REDACTED], the Arbitrator relied upon the following documentary or other evidence: Claimant's Statement of Claim, Respondent Next Financial's Statement of Answer, the customer's response to Claimant's expungement request dated April 25, 2017, Claimant's BrokerCheck® Report, the complaint letter submitted by the customer and the firm's responsive letter to the customer, the customer's executed subscription document, applications and disclosure forms from early October 2008, and the testimony and evidence presented at the telephonic expungement hearing held on July 25, 2017.

The Arbitrator conducted a recorded telephonic expungement hearing on August 16, 2017 so the parties could present oral argument and evidence on Claimant's request for expungement of occurrence [REDACTED].

The customers related to occurrence [REDACTED] did not participate in the expungement hearing and did not contest the request for expungement.

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

The parties present at the hearing 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 evidence presented at the telephonic expungement hearings, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant request for expungement of occurrence [REDACTED] from his CRD records is denied.
2. The Arbitrator recommends the expungement of all references to occurrence [REDACTED] from registration records maintained by the CRD, for [REDACTED] [REDACTED] (CRD# [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, [REDACTED] 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, the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

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

An allegation of unauthorized purchase is clearly erroneous when there is uncontroverted evidence that a husband, who was a joint account owner with his wife, complained of an unauthorized purchase shortly after a security his wife purchased lost value.

3. The Arbitrator recommends the expungement of all references to occurrence [REDACTED] from registration records maintained by CRD, for [REDACTED] [REDACTED] (CRD# [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, [REDACTED] 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, the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

The customer's letters dated August 27, 2013 and April 25, 2017 are not consistent. The customer admitted to receiving a prospectus. The customer did not complain about the subject transaction until almost 5 years elapsed and only then, after its value and dividends declined. Respondent Next Financial found the customer's August 27, 2013 letter meritless, and the customer took no further action after Next Financial responded to her letter.

4. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure, 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
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, as Respondents Citigroup Global Markets, Inc., A.G. Edwards & Sons, Inc., and Next Financial Group, Inc. are each assessed the following:

Member Surcharge	= \$ 150.00
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Discovery-Related Motion Fee

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

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

Total Discovery-Related Motion Fees	= \$ 400.00
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The Arbitrator has assessed the \$400.00 discovery-related motion fees to Claimant.

ARBITRATOR

William G. Binckes

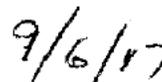
Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature



William G. Binckes
Sole Public Arbitrator



Signature Date

September 7, 2017

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