

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

██████████

Case Number: ██████████

vs.

Respondent

Citigroup Global Markets, Inc.

Hearing Site: Raleigh, North Carolina

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant ██████████: Michael Bessette, Esq., AdvisorLaw, LLC, Broomfield, Colorado.

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

CASE INFORMATION

Statement of Claim filed on or about: August 25, 2017.
Claimant signed the Submission Agreement: August 25, 2017.

Statement of Answer filed by Respondents on or about: October 27, 2017.
Respondent signed the Submission Agreement: September 28, 2017.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

In the Statement of Answer, Respondent did not oppose Claimant's expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number ██████████ from his CRD records, compensatory damages in the amount of \$1.00, and any and all other relief deemed just and equitable.

In the Statement of Answer, Respondent requested that the request for compensatory damages be denied, that no forum fees be assessed against it, and that all other fees be assessed solely against Claimant.

During the hearing, Claimant withdrew the request for compensatory damages of \$1.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

The Arbitrator conducted a recorded telephonic hearing on April 17, 2018 so that the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not contest the request for expungement.

On February 8, 2018, Claimant notified the customers in the underlying complaint of his request for expungement and of their right to participate in the expungement hearing and also provided the customers with a copy of the Statement of Claim.

The customers in the underlying complaint did not participate in the expungement hearing and did not oppose Claimant's expungement request.

The Arbitrator finds that the customers do not desire to participate in the expungement hearing and that a decision on the merits of Claimant's request can be entered.

The Arbitrator reviewed Claimant's BrokerCheck® Report and considered the amount of payment made to the customers in the underlying complaint. 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 that Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

The Arbitrator noted that the underlying complaint was settled in 2007. Claimant was not involved in the settlement negotiations and does not remember having received a copy of the settlement agreement. After more than 10 years, Respondent did not retain a copy of the settlement agreement. Despite not reviewing the settlement agreement, the Arbitrator still believes that expungement is appropriate.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: the pleadings, Claimant's testimony and exhibits.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 Number [REDACTED] from registration records maintained by the Central Registration Depository ("CRD"), for Claimant [REDACTED] (CRD # [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant [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 Arbitrator has made the following Rule 2080 affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and the claim, allegation, or information is false.

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

The Customer in the underlying case requested \$42,000 from Salomon Smith Barney Inc. (n/k/a Citigroup Global Markets, Inc.) ("SSB") to recoup losses he suffered from his investments in WorldCom and Global Crossing recommended by SSB's analyst Jack Grubman. Respondent in the underlying arbitration, [REDACTED] ([REDACTED]), was mentioned in Claimant's letter to SSB as "caring and concerned for our financial welfare." He added that he and [REDACTED] had been led to these investments by "falsehoods" on SSB's part. This demonstrates that [REDACTED] had no involvement "in the alleged investment-related sales practice violation" if it can even be identified as such. This meets the standard under Rule 2080(b)(1)(B). The attorney who brought the underlying arbitration case not only added [REDACTED] as a Respondent, but also alleged the usual litany of claims: unsuitability, breach of fiduciary duty and misrepresentation, among others, demanding \$100,000. None of these were contemplated by the customer's original request of SSB and signify that these claims against [REDACTED] were fabricated and false as against him, satisfying the standard under Rule 2080(b)(1)(C)

2. Any and all claims for relief not specifically addressed herein 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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Citigroup Global Markets, Inc. is 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.

One (1) decision on a discovery-related motion on the papers with one (1) arbitrator @ \$200.00/decision	=\$200.00
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Claimant submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees	=\$200.00
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The Arbitrator has assessed the discovery-related motion fees of \$200.00 to Claimant.

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, including a pre-hearing conference with the arbitrator, 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: January 8, 2018 1 session	

One (1) hearing session on expungement request @ \$50.00/session	=\$ 50.00
Hearing Date: April 17, 2018 1 session	

Total Hearing Session Fees	=\$100.00
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The Arbitrator has assessed the hearing session fees of \$100.00 to Claimant.

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

ARBITRATOR

Muriel Desloovere

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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

Muriel Desloovere
Sole Public Arbitrator

Signature Date

May 14, 2018

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