

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant

Case Number [REDACTED]

vs.

Respondent

Citigroup Global Markets, Inc.

Hearing Site: Chicago, Illinois

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Nature of the Dispute: Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant [REDACTED] ("Claimant"): Armin Sarabi, J.D., AdvisorLaw, LLC, Broomfield, Colorado.

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

**CASE INFORMATION**

Statement of Claim filed on or about: October 11, 2017.

Claimant signed the Submission Agreement: October 11, 2017.

Statement of Answer filed on or about: December 5, 2017.

Respondent signed the Submission Agreement: December 18, 2017.

**CASE SUMMARY**

Claimant asserted a claim seeking expungement of an underlying customer complaint ("Underlying Complaint") reflected as Occurrence Number [REDACTED] from his registration records maintained by the Central Registration Depository ("CRD").

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations of wrongdoing made in the Statement of Claim, but did not oppose Claimant's request for expungement.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

Compensatory Damages:	\$1.00
Other Monetary Relief:	Unspecified
Other Non-Monetary Relief:	Expungement

In the Statement of Answer, Respondent requested Claimant's request for compensatory damages be denied, that no forum fees be assessed against it, and that all other fees associated with this matter be assessed against Claimant.

At the hearing, Claimant withdrew his request for \$1.00 in compensatory damages and any and all other just and equitable relief.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On or about March 27, 2018, Claimant filed a letter reflecting notice of service of his Statement of Claim and the expungement hearing on the customers of the Underlying Complaint ("Customers").

On or about March 28, 2018, Claimant filed an Affidavit of Service signed by Claimant's counsel advising that the Statement of Claim had been served on the Customers.

The Arbitrator conducted a recorded telephonic hearing on May 14, 2018, so the parties could present oral argument and evidence on Claimant's request for expungement.

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

The Customers did not participate in the expungement hearing and did not submit a written position relative to Claimant's request for expungement.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator found that there was not a settlement relative to Occurrence Number [REDACTED].

The Arbitrator found 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: Claimant's testimony and the letter attached as Exhibit 2 to the Statement of Claim.

Because the original case dates from 1997, there were no orders, exhibits, or transcripts of testimony from the original case. The facts of the case largely derive from Claimant's testimony, Statement of Claim, and Respondent's Statement of Answer, in which Respondent admitted the allegations and did not oppose expungement. The Customers were served with notice and Claimant's counsel indicated that the Customers were notified of the hearing but they did not appear or file any written response. The Arbitrator notes that the underlying customer case was brought in 1997, twenty-one years ago.

## AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the sole remaining issue of expungement submitted for determination as follows:

The Arbitrator recommends the expungement of all references to Occurrence Number [REDACTED] from registration records maintained by the 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 claim, allegation, or information is factually impossible or clearly erroneous; and
- The claim, allegation, or information is false.

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

The Customers delivered stock to Claimant and his brokerage company, requesting it be sold. The stock was restricted, but there was no indication on the certificate that it was restricted. The Customers indicated that the stock was not restricted. The stock was sold not realizing that it was restricted. Later, it was learned that the stock was restricted and should not have been sold. The Panel, in the underlying arbitration filed by the Customers, ordered the brokerage company to repurchase stock to replace the stock that was sold. The stock was repurchased for \$1,376.23, with a small award against the stock brokerage firm for interest. The Customers' claim for \$57,500.00 in damages was denied. No award was made against Claimant. Because no award was made against Claimant, the Arbitrator finds that the claim against Claimant was clearly erroneous, that Claimant was not involved in any sales practice violation, and that the claim against Claimant was false.

## 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, Citigroup Global Markets, Inc. is assessed the following:

Member Surcharge	=\$ 150.00
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### Postponement Fees

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

February 27, 2018, postponement requested by Claimant	=\$ 50.00
Total Postponement Fees	=\$ 50.00

The Arbitrator has assessed the \$50.00 postponement fees to Claimant.

### Last Minute Cancellation Fees

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

February 27, 2018, postponement requested by Claimant on 2/26/2018	=\$ 600.00
Total Last Minute Cancellation Fees	=\$ 600.00

The Arbitrator has assessed the \$600.00 last minute cancellation fees 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) hearing session on expungement request @ \$50.00/session	=\$ 50.00
Hearing Date: May 14, 2018 1 session	
Total Hearing Session Fees	=\$ 50.00

The Arbitrator has assessed the \$50.00 hearing session fees to Claimant.

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

**ARBITRATOR**

Theodore W. Wrobleski

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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**

/s/ Theodore W. Wrobleski

Theodore W. Wrobleski  
Sole Public Arbitrator

06/04/2018

Signature Date

06/04/2018

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

