

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 ██████████ (“Claimant”): Dochter Kennedy, J.D., MBA and Erica Harris, Esq., AdvisorLaw, Westminster, Colorado.

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

CASE INFORMATION

Statement of Claim filed on or about: April 18, 2018.
Claimant signed the Submission Agreement: April 18, 2018.

Statement of Answer filed by Respondent on or about: June 12, 2018.
Respondent signed the Submission Agreement: May 10, 2018.

CASE SUMMARY

Claimant asserted a claim seeking expungement of two customer complaints, occurrences numbers ██████████ and ██████████, (“Underlying Complaints”) from his Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent denied any allegations of wrongdoing in the Statement of Claim, but otherwise advised that it does not oppose Claimant’s expungement relief. Respondent objected to Claimant’s request for \$1.00 in compensatory damages.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Expungement of the Underlying Complaints from his CRD record pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous;
2. Expungement of the Underlying Complaints from his CRD record pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false;
3. Damages in the amount of \$1.00 from Respondent; and
4. Any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

1. Claimant's request for damages be denied; and
2. All forum fees and all other costs and fees associated with this matter be assessed solely against Claimant.

At the hearing, Claimant withdrew his request for \$1.00 in damages against Respondent.

OTHER ISSUES CONSIDERED AND DECIDED

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

On September 4, 2018, Claimant provided notice that the Statement of Claim and notice of the expungement hearing was served on: the customer in occurrence number [REDACTED] ("Ms. S") and the customer corporation in occurrence number [REDACTED] ("Corporation"). Hereinafter, Ms. S and Corporation are collectively referred to as the "Customers."

On September 20, 2018, Claimant submitted an Affidavit of Service signed by Claimant's counsel advising that the Customers were served with the Statement of Claim.

The Arbitrator conducted a recorded telephonic hearing on October 4, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not object to the expungement request. The Arbitrator found that the Customers had notice of the expungement request and hearing but did not participate.

The Arbitrator reviewed the BrokerCheck® Report for Claimant.

The Arbitrator noted that the Underlying Complaints were not settled and therefore there were no settlement documents to review. Although occurrence number [REDACTED] was not settled, the Arbitrator found that the Corporation's investments in the Citigroup Tax Advantaged Short-Term Fund ("Citigroup Fund") was refunded.

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

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: the pleadings, Claimant's testimony presented at the expungement

hearing, Claimant's BrokerCheck® Report and the fact that the Underlying Complaints were denied by Respondent and no settlement was awarded to the Customers.

The parties present at the hearing have agreed that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the 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 the Underlying Complaints, occurrence numbers [REDACTED] and [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 of Arbitration Procedure ("Code"), the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claims, allegations, or information is false.

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

The recommendation is based on the fact that the Customers and Respondent did not object to Claimant's expungement, the Underlying Complaints were denied by Respondent and no settlement was awarded to the Customers.

Occurrence Number [REDACTED] (in which Ms. S is the customer)

Claimant testified that he met and spoke with Ms. S at various times to establish her client profile utilizing Respondent's "Broker Program" software provided to Claimant, and to explain various investment opportunities. Claimant stated that at all times he followed Ms. S's instructions regarding investment decisions and explained in detail the investment proposed in the Guided Portfolio Management program investment.

Occurrence Number [REDACTED] (in which the Corporation is the customer)

Claimant testified that the Corporation was a major customer of Smith Barney, a division of Respondent, and that Claimant was asked to provide education programs and investment opportunities regarding the Corporation's 401k program. The recommendation by Smith Barney was a Citigroup Fund which at the time was AAA-rated and given an S1 volatility rating. Citigroup Fund also

sent a representative (other than Claimant) to the Corporation to explain the Citigroup Fund.

The Arbitrator found that Claimant did not recommend the Citigroup Fund to the Corporation, he simply provided information on the Citigroup Fund. Claimant testified that a manager at Smith Barney was the Corporation's contact and not Claimant.

Claimant stated that the investments sustained a material drop due to market conditions. The Arbitrator found that the Corporation lost money due to the market drop, not due to Smith Barney's recommendation. Smith Barney agreed to reimburse all their clients with investments in the Citigroup Fund 90% of their investment.

2. Any and all claims for relief not specifically addressed herein 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
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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(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
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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: August 10, 2018	1 session

One (1) hearing session on expungement request @ \$50.00/session	= \$50.00
Hearing Date: October 4, 2018	1 session

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

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

ARBITRATOR

Stuart K. Furman

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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



Stuart K. Furman
Sole Public Arbitrator

10-20-18

Signature Date

October 22, 2018

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