

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondent

Hearing Site: Washington, D.C.

Citigroup Global Markets, Inc.

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant [REDACTED]: Harris Freedman, Esq., AdvisorLaw LLC, Westminster, Colorado.

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

CASE INFORMATION

Statement of Claim filed on or about: April 24, 2018.

[REDACTED] signed the Submission Agreement: April 24, 2018.

Statement of Answer filed by Respondent on or about: June 15, 2018.

Citigroup Global Markets, Inc. signed the Submission Agreement: May 10, 2018.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records; compensatory damages in the amount of \$1.00; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent does not oppose Claimant's request for expungement of his CRD records but objects to Claimant's request for compensatory damages. Respondent requested that the forum fees be assessed against Claimant.

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 November 1, 2018 so the parties could present oral argument and evidence on Claimant [REDACTED] request for expungement.

Claimant provided the FINRA Office of Dispute Resolution with proof that he served the customer in the underlying complaint in occurrence number [REDACTED] with notice of his expungement request and notice of the customers' right to participate and testify at the expungement hearing. The customer did not participate in the expungement hearing and did not contest the request for expungement. Claimant conducted a diligent search to locate the underlying customer in occurrence number [REDACTED] but was unsuccessful.

The Arbitrator reviewed the BrokerCheck® Report for [REDACTED] and the settlement related to occurrence number [REDACTED] as set forth in the BrokerCheck Report, and considered the amount of payments made to the customer, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the Settlement Agreement was not available for review.

The Arbitrator noted that [REDACTED] did not previously file a claim requesting expungement of occurrence numbers [REDACTED] and [REDACTED] from his CRD records.

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

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

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. Claimant's request for expungement of occurrence number [REDACTED] from his CRD records is denied.
2. The Arbitrator recommends the expungement of all references to occurrence number [REDACTED] from registration records maintained by the Central Registration Depository ("CRD") 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 finding of fact:

The claim, allegation, or information is false.

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

In 2003, Claimant took over a client's account at Salomon Smith Barney. The customer was an experienced investor who had accounts at several firms, many or all of which used margins. The customer's Salomon Smith Barney account that Claimant took over was already a margin account when Claimant began managing it; nevertheless, Claimant took the time to explain margins and their risks to the customer when Claimant began as the broker for the account. In his trades for the customer, Claimant kept phone and paper records of every trade; furthermore, the customer received monthly and quarterly statements on this account. In 2003, the customer filed a complaint, alleging that Claimant made unauthorized use of margins in his account. The firm investigated this complaint and it was denied. Thereafter, the customer closed his account with the firm. Because the customer had been using margin on this account and on other accounts with other firms and because Claimant further explained margins to the customer upon taking over this account, the customer clearly understood the use and risks of margins. Because Claimant kept records of his activity on the account on his customer's behalf and because the customer received monthly and quarterly statements on the account, Claimant clearly showed that he was acting on the customer's behalf when making trades on the account and that the customer was promptly and regularly notified of all activity on his account. It is relevant as well that the firm investigated this complaint and denied it, which the customer did not challenge. For these reasons, and having considered Claimant's BrokerCheck record and his testimony during the hearing, it is the Arbitrator's determination that Occurrence # [REDACTED] is FALSE and should be expunged from Claimant's record.

3. 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
--------------------------	------------

**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

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: August 21, 2018 1 session

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

Total Hearing Session Fees = \$ 100.00

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

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

ARBITRATOR

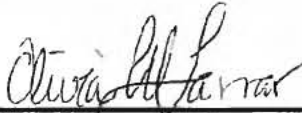
Olivia Milbank Farrar

-

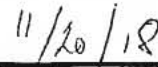
Sole Public Arbitrator

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



Olivia Milbank Farrar
Sole Public Arbitrator



Signature Date

November 20, 2018

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