

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Chuck A. Roberts

Case Number: 19-02961

vs.

Respondent
Citigroup Global Markets, Inc.

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Chuck A. Roberts: Michael O’Gara, Esq. and Dochter Kennedy MBA, J.D., AdvisorLaw LLC, Westminster, Colorado.

For Respondent Citigroup Global Markets, Inc.: Adam M. Kauff, Esq., Kauff Laton Miller LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: October 1, 2019.
Chuck A. Roberts signed the Submission Agreement: October 1, 2019.

Statement of Answer filed by Respondent on or about: November 22, 2019.
Citigroup Global Markets, Inc. signed the Submission Agreement: April 9, 2020.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

Respondent did not oppose Claimant’s request for expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Numbers 1437029, 1437030, and 1437031; 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 did not oppose Claimant’s expungement request. Respondent objected to Claimant’s request for compensatory damages in the amount 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 March 30, 2020 so the parties could present oral argument and evidence on Claimant's request for expungement of Occurrence Numbers 1437029, 1437030, and 1437031.

Claimant provided the FINRA Office of Dispute Resolution with proof that he served the underlying customers in Occurrence Numbers 1437029, 1437030, and 1437031 with notice of his expungement request and notice of the customers' right to participate and testify at the expungement hearing. The customers did not participate in the expungement hearing and did not contest the request for expungement.

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

The Arbitrator reviewed the BrokerCheck® Report for Claimant Chuck A. Roberts and the settlement documents relating to Occurrence Number 1437031, considered the amount of payments made to the underlying customers, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on the underlying customers not opposing the request for expungement. The Arbitrator also noted that Claimant did not previously file a claim requesting expungement of Occurrence Numbers 1437028, 1437030, and 1437031.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, 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 1437029 from registration records maintained by the Central Registration Depository ("CRD"), for Claimant Chuck A. Roberts (CRD# 2064602), with the understanding that, pursuant to Notice to Members 04-16, Claimant Chuck A. Roberts 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:

Claimant credibly testified that the customer in the underlying FINRA complaint had been his client for many years and followed him from Oppenheimer to Respondent. He further testified that the customer was a sophisticated investor who had been happy with him. He testified that he spoke with the customer daily about her investments and had quarterly sit down meetings with her. The financial instruments he suggested to her was suitable for her stated investment objectives. Due to the size of the overall portfolio, the Claimant recommended diversification and the customer agreed to the strategy to invest in IPOs. She followed this strategy for over three years. When the Claimant recommended the Ironwood fund, the customer completed the required subscription agreement attesting to her financial fitness. This fund was suitable for the customer who was aware of the fund's restrictions and risks. Claimant also recommended the Verso IPO after explaining all of the details. The customer also spoke with a financial advisor and Respondent's analyst after which she purchased a sizable position of Verso. Mr. Roberts further credibly testified that these purchases were approximately 10% of the customer's total portfolio. When Verso began trading lower than the purchase price, Claimant discussed with the customer her options which included immediate liquidation. The customer chose to hold the position. Respondent investigated the complaint and denied the claim. There was no misrepresentations concerning any of these investments.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1437030 from registration records maintained by the Central Registration Depository ("CRD"), for Claimant Chuck A. Roberts (CRD# 2064602), with the understanding that, pursuant to Notice to Members 04-16, Claimant Chuck A. Roberts 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:

Claimant credibly testified that the customer in the underlying complaint had been his client for many years and followed him from Oppenheimer to Respondent. He further testified that the customer was a sophisticated investor who had been happy with him. He testified that he spoke with the customer daily about his investments and had quarterly sit down meetings with him. The financial instruments he suggested to him was suitable for the customer's stated investment objectives. Due to the size of the overall portfolio, the Claimant recommended diversification and the customer agreed to the strategy to invest in IPOs. The customer followed this strategy for over three years. When Claimant recommended the Ironwood fund, the customer completed the required subscription agreement attesting to his financial fitness. This fund was suitable for the customer who was aware of the fund's restrictions and risks. Claimant also recommended the Verso IPO after explaining all of the details. The customer also spoke with a financial advisor and Respondent's analyst after which he purchased a sizable position of Verso. Mr. Roberts further credibly testified that these purchases were approximately 10% of the customer's total portfolio. When Verso began trading lower than the purchase price, Claimant discussed with the customer his options which included immediate liquidation. The customer chose to hold the position. Respondent investigated the complaint and denied the claim. There was no misrepresentations concerning any of these investments.

3. The Arbitrator recommends the expungement of all references to Occurrence Number 1437031 from registration records maintained by the Central Registration Depository ("CRD"), for Claimant Chuck A. Roberts (CRD# 2064602), with the understanding that, pursuant to Notice to Members 04-16, Claimant Chuck A. Roberts 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:

Claimant credibly testified that the customers in the underlying FINRA arbitration filing had been his client for many years and followed him from Oppenheimer to Respondent. He further testified that the customers were sophisticated investors who had been happy with him. Claimant testified that he spoke with the customers daily about their investments and had quarterly, sit down meetings with them. The financial instruments the Claimant suggested to the customers were suitable for their stated investment objectives. Due to the size of their overall portfolio, he recommended diversification and the customers agreed to the strategy to invest in IPOs. They followed this strategy for over three years. When Claimant recommended the Ironwood fund, the customers completed the required subscription agreement attesting to their financial fitness. This fund was suitable for the customers who were aware of the fund's restrictions and risks. Claimant also recommended the Verso IPO after explaining all of the details. The customers also spoke with a financial advisor and Respondent's analyst after which they purchased a sizable position of Verso Mr. Roberts further credibly testified that these purchases were approximately 10% of the customers' total portfolio. When Verso began trading lower than the purchase price, Claimant discussed with the customers options which included immediate liquidation. They chose to hold the position. There was no misrepresentations concerning any of these investments.

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
--------------------------	------------

**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: January 14, 2020	1 session	

One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing Date: March 30, 2020	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

Madelon M. Rosenfeld

-

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

Madelon M. Rosenfeld

Madelon M. Rosenfeld
Sole Public Arbitrator

04/09/2020

Signature Date

April 09, 2020

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