

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Carol Parks

Case Number: 23-00587

vs.

Respondent
Citigroup Global Markets, Inc.

Hearing Site: Washington, D.C.

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Customer vs. Member

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Carol Parks: Jason Doss, Esq., The Doss Firm, LLC, Atlanta, Georgia.

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

*FINRA recorded the appearance of Claimant’s counsel at the time of filing of the Statement of Claim. Counsel’s representation of Claimant may have ended with the parties’ settlement. Please see the Other Issues Considered and Decided section of this Award for information on whether Claimant’s counsel appeared at the expungement hearing.

CASE INFORMATION

Statement of Claim filed on or about: March 9, 2023.

Carol Parks signed the Submission Agreement: March 9, 2023.

Statement of Answer filed by Respondent on or about: April 28, 2024.

Citigroup Global Markets, Inc. did not sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of contract; breach of fiduciary duty; fraud; unsuitability; negligence; failure to supervise; negligent supervision; negligence; and violations of VA. code ANN. § 63.2-100, et seq. and VA. code ANN. § 63.2-1603, et seq. The causes of action relate to the alleged omission of material facts associated with the sale and purchase of securities in Claimant's account, which resulted in tax obligations.

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: Compensatory damages, in an amount to be proven at the hearing, but believed to exceed approximately \$150,000.00 relating to the capital gains, and approximately \$173,712.70 relating to the difference in market value between the purchase price of the annuities and the value at the time of surrender (less prior withdrawals and surrender fees); punitive damages; attorneys' fees; experts' fees; interest; costs; other expenses; and, any other relief the Panel deemed just and equitable.

In the Statement of Answer, Respondent requested the denial of Claimant's Statement of Claim in its entirety, and expungement of all references to Occurrence Number 2263106 from the Central Registration Depository ("CRD") registration records of Unnamed Person Michael Fowler (CRD Number 2252560) and to Occurrence Number 2268049 from the CRD registration records of Unnamed Person Michael Jorgenson (CRD Number 6495848).

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and, having answered the claim, appeared, and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

On June 5, 2024, Claimant filed a notice of settlement and dismissal with prejudice. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim. The sole remaining issue was the request for expungement of all references to Occurrence Numbers 2263106 and 2268049 from CRD.

On June 17, 2024, Respondent Citigroup Global Markets, Inc. filed a Motion for Expungement on behalf of Unnamed Persons Michael Fowler and Michael Jorgenson, which Claimant did not oppose.

The Panel conducted a recorded hearing by videoconference on August 27, 2024, so the parties could present oral argument and evidence on the request for expungement. Unnamed Persons

Michael Fowler and Michael Jorgensen and Respondent's representative participated by videoconference at the expungement hearing. Claimant did not participate in the expungement hearing.

The Panel noted Respondent's representation that a prior arbitration panel or court has not previously ruled on expungement of the same occurrences in the CRD.

The Panel reviewed the settlement documentation related to Occurrence Numbers 2263106 and 2268049, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Panel noted that the settlement was not conditioned on any party to the settlement not opposing the request for expungement and that Unnamed Persons Michael Fowler and Michael Jorgensen did not contribute to the settlement amount.

The Arbitrator relied upon the following documentary or other evidence: exhibit page number 003714 which clearly shows that Claimant's deceased husband, Mr. Parks, did not know he was near his death until October 11, 2021. The following exhibit page numbers show that, prior to October 11, 2021, Mr. Parks was investing with a time horizon of at least several years: 002411, 2412, 3597, 3598, 3782-3801, 3746, 2987, and 2459-2476. Subsequent to that date, annuities were purchased to insure an income for the surviving spouse. See exhibits 3949-et seq.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel awards the expungement of all references to Occurrence Number 2263106 for Unnamed Person Michael Fowler (CRD Number 2252560) and to Occurrence Number 2268049 for Unnamed Person Michael Jorgensen (CRD Number 6495848) from registration records maintained by the CRD, with the understanding that, pursuant to Rule 2080, Unnamed Persons Michael Fowler and Michael Jorgensen 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 12805 of the Code, the Panel has made the following affirmative finding of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The Panel has made the above finding based on the following reasons:

The Panel unanimously finds that the complaints asserted by Claimant Carol Parks, 1) that investments were liquidated without due consideration of tax consequences, and 2) that the purchased annuities were not suitable investments under the known circumstances, are

clearly erroneous. Unnamed Persons Michael Fowler and Michael Jorgenson were not timely informed of Mr. Parks' illness and Mr. Parks, by his informed investment decisions, clearly did not anticipate his impending death. Annuities were purchased to ensure a stream of income for Mrs. Parks, after Mr. Parks learned he had only a few months to live.

2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 1,425.00
Expungement Filing Fee for Michael Fowler	= \$ 1,600.00
Expungement Filing Fee for Michael Jorgenson	= \$ 1,600.00

**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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent Citigroup Global Markets, Inc. is assessed the following:

Member Surcharge	= \$ 2,025.00
Member Process Fee	= \$ 3,875.00

Postponement Fees

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

January 16-19, 2024, joint postponement request	= \$ 1,125.00
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Total Postponement Fees	= \$ 1,125.00
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The Panel has assessed the total postponement fees to Claimant.

Hearing Session Fees and Assessments

The Panel 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), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-Hearing Conference: June 22, 2023	1 session

ARBITRATION PANEL

Gordon M. Wase	-	Public Arbitrator, Presiding Chairperson
Armand Philip Lione	-	Public Arbitrator
Julius P. Terrell	-	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.

Concurring Arbitrators' Signatures

Gordon M. Wase

Gordon M. Wase
Public Arbitrator, Presiding Chairperson

09/12/2024

Signature Date

Armand Philip Lione

Armand Philip Lione
Public Arbitrator

09/12/2024

Signature Date

Julius P. Terrell

Julius P. Terrell
Public Arbitrator

09/13/2024

Signature Date

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September 13, 2024

Date of Service (For FINRA Dispute Resolution Services use only)