

**Expungement Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimant

Jeffrey Joseph McDonald

Case Number: 23-02490

vs.

Respondent

Citigroup Global Markets, Inc.

Hearing Site: Tampa, Florida

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: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Jeffrey Joseph McDonald: Craig A. Riha, Esq., Gusrae Kaplan Nusbaum, PLLC, Melville, New York.

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

CASE INFORMATION

Statement of Claim filed by Claimant on or about: September 14, 2023.

Claimant signed the Submission Agreement: September 8, 2023.

Statement of Answer filed by Respondent on or about: November 10, 2023.

Respondent signed the Submission Agreement: January 10, 2024.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent did not oppose Claimant’s expungement request and denied any wrongdoing.

RELIEF REQUESTED

In the Statement of Claim, Claimant (CRD Number 1827242) requested that the Panel issue an

award, recommending expungement of all references to Occurrence Numbers 1077705 and 1077706 from Claimant's permanent CRD records maintained by FINRA, pursuant to Rules 2080(b)(1)(A), (B), and (C) of the Code of Arbitration Procedure ("Code").

In the Statement of Answer, Respondent did not delineate a relief request.

OTHER ISSUES CONSIDERED AND DECIDED

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

The Panel noted that on or about May 15, 2024, Claimant attempted to serve the customers in Occurrence Numbers 1077705 and 1077706 ("Customers") with the Statement of Claim and notice of the date and time of the expungement hearing. Claimant did not request, nor pay for, any type of return receipt. No evidence was introduced at the hearing to indicate that the notice was ever received by the Customers, nor whether the Customers resided at the address at the time of mailing. The Panel further noted that Claimant was unable to locate any recent address at which the Customers resided at the time service was attempted. The Panel determined that while Claimant could have made a better effort to serve the Customers, it ultimately would not have made a difference in the Panel's ultimate decision.

The Panel conducted a recorded hearing by videoconference on September 9, 2024, so the parties could present oral argument and evidence on Claimant's request for expungement. Claimant and counsel participated by videoconference at the expungement hearing. Respondent participated by videoconference at the expungement hearing and as stated in the Statement of Answer, did not oppose the request for expungement.

The Customers or their representatives did not participate in the expungement hearing.

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

The Panel noted that the disputes related to Occurrence Numbers 1077705 and 1077706 were not settled and, therefore, there was no settlement documentation to review.

The Panel relied upon the following documentary or other evidence: Claimant's testimony that market conditions were not favorable for investors at the time the investments were initially made; and a chart that supported Claimant's testimony, which showed the performance of the S&P 500 during the entire time of the Customers' investments.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 Numbers 1077705 and 1077706 from registration records maintained by the CRD for Claimant Jeffrey Joseph

McDonald (CRD Number 1827242) with the understanding that, pursuant to Rule 2080, Claimant Jeffrey Joseph McDonald 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 Panel has made the following affirmative finding(s) of fact:

The claim, allegation, or information is false.

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

No evidence was presented to the Panel in support of the allegations made in the underlying claim regarding alleged misrepresentations having been made to the Customers. The underlying claim was denied by a panel back in 2003. The only evidence submitted at the hearing led the Panel to conclude that any losses suffered by the Customers were caused by market conditions and not by misrepresentations or other malfeasance of Claimant.

For both Occurrence Numbers 1077706 and 1077705, Claimant credibly testified that most of the allegations in the underlying Statement of Claim, filed by the Customers, were false.

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	= \$ 1,600.00
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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 event(s) giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$ 2,000.00
Member Process Fee	= \$ 3,850.00

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 @ \$1,150.00/session = \$ 1,150.00
Pre-Hearing Conference: January 10, 2024 1 session

One (1) hearing session on expungement request @ \$1,150.00/session = \$ 1,150.00
Hearing: September 9, 2024 1 session

Total Hearing Session Fees = \$ 2,300.00

The Panel has assessed \$1,725.00 of hearing session fees to Claimant.

The Panel has assessed \$575.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Kenneth R. Starr	-	Public Arbitrator, Presiding Chairperson
Carolyn E. Moore	-	Public Arbitrator
Jerrold E. Slutzky	-	Non-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

Kenneth R. Starr

Kenneth R. Starr
Public Arbitrator, Presiding Chairperson

09/13/2024

Signature Date

Carolyn E. Moore

Carolyn E. Moore
Public Arbitrator

09/13/2024

Signature Date

Jerrold E. Slutzky

Jerrold E. Slutzky
Non-Public Arbitrator

09/13/2024

Signature Date

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September 13, 2024

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