

**Award**  
**FINRA Dispute Resolution Services**

---

In the Matter of the Arbitration Between:

Claimants

Edgar Patricio Paredes Camacho and Rosa  
Maria Fernanda Valencia Villamar,  
Individually and as Joint Tenants and  
Paulo Mauricio Paredes Valencia and  
Edith Fatima Marin Vallarino,  
Individually and as Joint Tenants

Case Number: 18-01431

vs.

Respondents

Citigroup Global Markets, Inc. a/k/a  
Citi Personal Investments International,  
Carlo E. Rossell, and Abdel-Kader Ben-Mohamed

Hearing Site: Miami, 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: Customers vs. Member and Associated Persons

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimants Edgar Patricio Paredes Camacho and Rosa Maria Fernanda Valencia Villamar, Individually and as Joint Tenants and Paulo Mauricio Paredes Valencia and Edith Fatima Marin Vallarino, Individually and as Joint Tenants (collectively “Claimants”): Jonathan W. Evans, Esq. and Michael Edmiston, Esq., Jonathan W. Evans & Associates, Studio City, California.\*

For Respondents Citigroup Global Markets, Inc. a/k/a Citi Personal Investments International (“Citigroup”) and Carlo Rossell (“Rossell”): Joseph C. Coates, III, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

Respondent Abdel-Kader Ben-Mohamed (“Ben-Mohamed”) (collectively with Rossell and Citigroup, “Respondents”) appeared pro se.

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

### **CASE INFORMATION**

Statement of Claim filed on or about: April 19, 2018.  
Claimants signed the Submission Agreement: April 16, 2018.

Statement of Answer filed by Citigroup and Rossell on or about: July 17, 2018.  
Citigroup and Rossell signed the Submission Agreements: July 18, 2018.

Statement of Answer filed by Ben-Mohamed on or about: May 1, 2018.  
Ben-Mohamed signed the Submission Agreement: May 19, 2018.

### **CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action: negligence, suitability, misrepresentation and fraud, failure to supervise, failure to conduct adequate due diligence, breach of fiduciary duty, breach of contract, overconcentration and lack of diversification, and violation of FINRA Rules of Fair Practice. The causes of action relate to Claimants' allegation that Respondents recommended exclusively risky, expensive, and illiquid structured products to Claimants and that Claimants suffered losses as a result of Respondents' recommendation to purchase highly concentrated positions in two Citigroup structured notes. The securities in question include Cliffs Natural Resources common stock (CLF), a Citigroup structured note linked to Seadrill Ltd (SDRL), and a Citigroup auto-call structured note linked to Melco Resorts (MPEL).

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

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

### **RELIEF REQUESTED**

In the Statement of Claim, Claimants requested compensatory damages of not less than \$784,186.00; "lost opportunity" or "market adjusted damages" according to proof; disgorgement of commissions and all forms of compensation charged, earned, or received relating to all transactions executed in Claimants' accounts; interest at the legal rate of 10% from the date Claimants deposited their funds until any arbitration award rendered is fully paid; reasonable attorneys' fees; and costs of arbitration, including expert witness fees, filing fees, and hearing costs.

In the Statement of Answer, Citigroup and Rossell requested an award dismissing the Statement of Claim in its entirety with prejudice, that this matter be expunged from the Central Registration Depository ("CRD") records of Rossell, and such other and further relief as the Panel deems just and appropriate.

In the Statement of Answer, Ben-Mohamed did not request any relief.

Ben-Mohamed and Rossell filed requests for expungement of all references to this matter from CRD registration records. Please see the Other Issues Considered and Decided section of this Award for more information.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On January 19, 2021, Ben-Mohamed filed a request for expungement, to which no response was filed.

On February 20, 2021, Claimant filed a notice of voluntary dismissal with prejudice. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

The Panel conducted a recorded, telephonic hearing on April 19, 2021, so the parties could present oral argument and evidence on Ben-Mohamed's request for expungement.

Claimants participated in the expungement hearing through counsel and did not oppose Ben-Mohamed's request for expungement.

On May 7, 2021, Rossell filed a Request for Expungement. On June 12, 2021, Ben-Mohamed filed a reply to claims made in Rossell's Request for Expungement. Claimants filed no response to Rossell's Request for Expungement.

The Panel conducted a recorded, telephonic hearing on February 24, 2022, so the parties could present oral argument and evidence on Rossell's request for expungement.

Claimants participated in the second expungement hearing through counsel and did not oppose Rossell's request for expungement.

The Panel reviewed Ben-Mohamed's and Rossell's BrokerCheck® Reports. The Panel noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrence in the CRD.

The Panel also reviewed the settlement documentation, 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 Ben-Mohamed and Rossell did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Ben-Mohamed's testimony and BrokerCheck® Report, the pleadings, the settlement agreement, and Rossell's testimony and exhibits.

The Award in this matter may be executed in counterpart copies.

## **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 recommends the expungement of all references to the above-captioned arbitration (Occurrence Numbers 1981010, 1786051, 1786052, and 1981019) from registration records maintained by the CRD for Respondents Abdel-Kader Ben-Mohamed (CRD Number 4225157) and Carlo E. Rossell (CRD Number 4327532) with the understanding that, pursuant to Notice to Members 04-16, Respondents Abdel-Kader Ben-Mohamed and Carlo E. Rossell 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.

### **Occurrence Number 1981010 (Ben-Mohamed)**

Pursuant to Rule 12805 of the Code of Arbitration Procedure ("Code"), the Panel has made the following Rule 2080 affirmative finding of fact:

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

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

Ben-Mohamed stated that he clearly disclosed the nature and extent of the investment risks to the Claimants during the Years 2012-2014, and he believed that the Claimants understood the risks they were taking in this investment. Ben-Mohamed testified that the Claimants did not lose any money while he was overseeing their accounts. Ben-Mohamed resigned from Citigroup on March 30, 2014 and went on to become a broker at Wells Fargo. The Paredes family continued to use him as their broker at Wells Fargo, which indicated their confidence in him. Ben-Mohamed testified that after he left Citigroup, he telephoned Claimants and recommended that they sell the last structured note remaining in their Citigroup account.

### **Occurrence Numbers 1786051, 1786052, and 1981019 (Rossell)**

Pursuant to Rule 12805 of the Code, the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

Rossell was not the broker of record when the disputed investments were made. Rossell did not contribute any funds to the settlement agreement. Claimants' prior investment strategy was recommended by Claimants' former financial advisor, and not by Rossell. Rossell presented a new investment strategy to the Claimants to help reduce the losses they incurred by unsuitable recommendations made by their formal financial advisor.

Claimants were informed of Rossell's request for expungement. When Rossell took over the account, he recommended to Claimants that they minimize their investment in Cliff Notes because those investments were not in line with Claimants' risk tolerance and investment objectives. As an alternative, Rossell recommended that Claimants consider investing in fixed income funds or individual bonds. Despite Rossell's recommendation, Claimants decided that they wanted to continue investing in structured notes, because those investments had performed well for them in the past. Claimants also apparently stated to Rossell that they understood the risks associated with investing in Cliff Notes. Rossell's recorded broker's notes and e-mails reflected the fact that Rossell had discussed with Claimants the potential decline in the Cliff Notes' value, and presented the clients with several possible options to mitigate their losses, including selling off a portion of their position in Cliff Notes as a hedging strategy to reduce their risk. Despite Rossell's recommendations, Claimants chose not to follow Rossell's suggestions and decided to hold on to their prior position in Cliff Notes.

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 = \$ 1,725.00

*\*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, Citigroup is assessed the following:

Member Surcharge = \$ 2,475.00  
Member Process Fee = \$ 5,075.00

#### **Postponement Fees**

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

November 17, 2021, postponement requested by Respondents Waived

#### **Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 400.00

Claimants submitted one (1) discovery-related motion

Citigroup and Rossell submitted one (1) discovery-related motion

---

Total Discovery-Related Motion Fees	= \$	400.00
-------------------------------------	------	--------

The Panel has assessed \$100.00 of the discovery-related motion fees jointly and severally to Claimant(s).

The Panel has assessed \$200.00 of the discovery-related motion fees jointly and severally to Citigroup and Rossell.

The Panel has assessed \$100.00 of the discovery-related motion fees jointly and severally to Respondents.

**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:

Three (3) pre-hearing sessions with the Panel @ \$1,300.00/session	= \$	3,900.00
Pre-Hearing Conferences: August 16, 2018	1 session	
January 22, 2020	1 session	
February 15, 2021	1 session	

Two (2) hearing sessions on expungement request @ \$1,300.00/session	= \$	2,600.00
Hearings: April 19, 2021	1 session	
February 24, 2022	1 session	

---

Total Hearing Session Fees	= \$	6,500.00
----------------------------	------	----------

The Panel has assessed \$1,300.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$1,300.00 of the hearing session fees jointly and severally to Respondents.

The Panel has assessed \$2,600.00 of the hearing session fees to Ben-Mohamed.

The Panel has assessed \$1,300.00 of the hearing session fees to Rossell.

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

**ARBITRATION PANEL**

Monroe Mitchel	-	Public Arbitrator, Presiding Chairperson
Steven Gerard Goerke	-	Public Arbitrator
Stacey Rosenthal	-	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**

***Monroe Mitchel***

\_\_\_\_\_  
Monroe Mitchel  
Public Arbitrator, Presiding Chairperson

**03/02/2022**

\_\_\_\_\_  
Signature Date

***Steven Gerard Goerke***

\_\_\_\_\_  
Steven Gerard Goerke  
Public Arbitrator

**03/02/2022**

\_\_\_\_\_  
Signature Date

***Stacey Rosenthal***

\_\_\_\_\_  
Stacey Rosenthal  
Public Arbitrator

**03/03/2022**

\_\_\_\_\_  
Signature Date

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.

March 03, 2022

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