

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
David Anthony Chieco

Case Number: 20-01941

vs.

Respondent
The Jeffrey Matthews Financial Group, LLC

Hearing Site: Jersey City, New Jersey

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 David Anthony Chieco: Richard S. Meisner, Esq., Jardim, Meisner & Susser, P.C., Florham Park, New Jersey.

For Respondent The Jeffrey Matthews Financial Group, LLC: Stephen Cucchia, The Jeffrey Matthews Financial Group, LLC, Florham Park, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: June 18, 2020.

David Anthony Chieco signed the Submission Agreement: June 18, 2020.

Statement of Answer filed by Respondent on or about: July 15, 2020.

The Jeffrey Matthews Financial Group, LLC signed the Submission Agreement: July 15, 2020.

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 made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 611563 and 271072; compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested that Claimant's request for \$1.00 in compensatory damages be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

On December 18, 2020, Claimant advised that the customers in Occurrence Numbers 611563 and 271072 were served with the Statement of Claim and with notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on January 14, 2021 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not oppose the request for expungement.

The customers in Occurrence Numbers 611563 and 271072 did not participate in the expungement hearing. The Arbitrator found that the customers had notice of the expungement request and hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation for Occurrence Number 611563, considered the amount of payments made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement contained a provision that the customer would use best efforts to execute any documents relating to granting expungement of the complaint from Claimant's record. However, at the time of the settlement in 2001, this was not a violation of NASD/FINRA rules. The Arbitrator also noted that Claimant did not contribute to the settlement amount.

The Arbitrator noted that the dispute related to Occurrence Number 271072 was not settled and, therefore, there were no settlement document to review.

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

AWARD

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

1. Claimant's claim for \$1.00 in compensatory damages is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number 611563 from registration records maintained by the CRD for Claimant David Anthony Chieco (CRD Number 1563513) with the understanding that, pursuant to Notice to Members 04-16, Claimant David Anthony Chieco 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 of Arbitration Procedure ("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:

The customer claim in the 1999 arbitration was for unsuitable investments in limited partnerships, excessive trading of high-yield or junk bonds and that Claimant made unauthorized transactions. The customer claimed that he was an unsophisticated investor. The 1999 arbitration panel dismissed the claims except for those relating to the customer's IRA bond investments. They found that he was an accredited investor, had previously executed private placement agreements, had large amounts invested, and understood the risks of such investments. Claimant testified that he always called the customer regarding all trades. The claim was settled to avoid further litigation. Claimant did not contribute to the settlement.

3. The Arbitrator recommends the expungement of all references to Occurrence Number 271072 from registration records maintained by the CRD for Claimant David Anthony Chieco (CRD Number 1563513) with the understanding that, pursuant to Notice to Members 04-16, Claimant David Anthony Chieco 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 of Arbitration Procedure ("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:

The customer's 1998 complaint was by a letter from a person who claimed to be acting under a power of attorney on behalf of a customer. The customer complaint regarded losses on bond investments that were claimed to be unsuitable. Claimant stated that the customer had similar investments for years with no previous complaint. He further stated that he spoke with the customer extensively about the investments. Respondent in this matter denied the customer complaint but was required to report this on Claimant's BrokerCheck® Report. No damages were paid to the customer and no further complaints or communication were received from the customer or power of attorney.

4. Any and all claims for relief not specifically addressed herein 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 = \$ 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 event giving rise to the dispute. Accordingly, as a party, Respondent The Jeffrey Matthews Financial Group, L.L.C. 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, which 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: October 12, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing Date: January 14, 2021 1 session

Total Hearing Session Fees = \$ 100.00

The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Marvin L. Schuldiner

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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

Marvin L. Schuldiner

Marvin L. Schuldiner
Sole Public Arbitrator

02/05/2021

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.

February 08, 2021

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