

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Christopher Ronald DiGregorio

Case Number: 20-02200

vs.

Respondent

Janney Montgomery Scott, 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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Christopher Ronald DiGregorio: Daniel D'Costa, Esq., D'Costa Law, P.C., Hicksville, New York.

For Respondent Janney Montgomery Scott LLC: Jill B. Clarke, Esq., Janney Montgomery Scott, LLC, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on or about: July 13, 2020.

Christopher Ronald DiGregorio signed the Submission Agreement: June 14, 2020.

Statement of Answer filed by Respondent on or about: September 18, 2020.

Janney Montgomery Scott LLC signed the Submission Agreement: September 18, 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 took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1816757, 1851754, and 1958819; 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 did not delineate a relief request.

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

OTHER ISSUES CONSIDERED AND DECIDED

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

On February 16, 2021, Claimant advised that the customers in Occurrence Numbers 1816757, ("Customer A"), 1851754 ("Customer B"), and 1958819 ("Customer C"), were served with the Statement of Claim and notice of the date and time of the expungement hearing. On February 17, 2021, Claimant filed a letter confirming that Customers A, B, and C were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded hearing by videoconference on May 17, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent did not participate in the expungement hearing. The Arbitrator found that Respondent had notice of the expungement request and hearing.

Customers A, B, and C also did not participate in the expungement hearing. The Arbitrator found that the Customers A, B, and C 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 noted that the disputes related to Occurrence Numbers 1816757, 1851754, and 1958819 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Customers A, B, and C's respective complaint letters and new account documents; Respondent's response to certain of the customers' correspondence; and documents relating to the variable annuities at issue in one of the underlying claims.

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. The Arbitrator recommends the expungement of all references to Occurrence Numbers 1816757, 1851754, and 1958819 from registration records maintained by the CRD for Claimant Christopher Ronald DiGregorio (CRD Number 2754779) with the understanding that, pursuant to Notice to Members 04-16, Claimant Christopher Ronald20-2200
2. DiGregorio 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 finding of fact:

The claim, allegation, or information is false.

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

Claimant filed this case seeking expungement of three customer complaints (Occurrence Numbers 1816757, 1851754, and 1958819). The Arbitrator recommends that the customer complaints be expunged from Claimant’s CRD based upon the fact that the allegations in all three instances are false.

As to Occurrence Number 1816757

The customer complaint at issue related to a single complaint letter from Customer A concerning the purchase of municipal bonds in their account. Customer A claimed that the bond products at issue were not suitable for his/her investment objectives and the trading of the bonds was excessive. Claimant testified that he discussed the investments (this was a non-discretionary account) with Customer A. Claimant also testified that the bonds were investment grade and consistent with Customer A’s stated objectives. Customer A did not pursue a complaint after the initial correspondence. The customer complaint letter was reviewed, but no other documents (other than Claimant’s BrokerCheck®) were presented in connection with this claim. The customer complaint letter was properly reported on Claimant’s CRD by Respondent, which took no position with respect to Claimant’s application for expungement.

Based upon Claimant’s testimony and the fact that Customer A did not want to pursue his/her claim of a \$43,000 loss in any manner after the initial correspondence, it appears that the bonds would have been suitable for Customer A within the context of the overall portfolio and investment objectives. Customer A did not advise of a position with respect to Claimant’s expungement application and did not request an opportunity to be heard at the hearing. Based upon the above factors, the Arbitrator concludes that the allegations against Claimant in Occurrence Number 1816757 were false.

As to Occurrence Number 1851754

The customer complaint at issue related to a written complaint received by Respondent from Customer B concerning unauthorized and unsuitable investments, as well as churning. Claimant testified that he conducted discussions with Customer B concerning his/her investments in a non-discretionary account. Claimant also testified that the bonds were investment-grade and consistent with Customer B’s stated objectives. Customer B did not pursue his/her complaint after the initial correspondence. The customer complaint letter and Claimant’s BrokerCheck® Report were reviewed, but no other documents were presented in connection with this claim. The customer complaint letter was properly reported on

Claimant's CRD by Respondent, which took no position with respect to Claimant's application for expungement.

Based upon Claimant's testimony and the fact that Customer B did not pursue his/her claim of a \$65,000 loss in any manner after the initial complaint, it appears that the bonds would have been suitable for Customer B within the context of the overall portfolio and investment objectives. It is also uncontroverted that the trades were authorized. Customer B did not advise of a position with respect to Claimant's expungement application and did not request an opportunity to be heard at the hearing. Based upon the above factors, the Arbitrator concludes that the allegations against Claimant in Occurrence Number 1851754 were false.

As to Occurrence Number 1958819

The Arbitrator reviewed numerous documents in connection with Occurrence Number 1958819. Among the documents admitted into evidence are: Customer C's new account documents; the customers' complaint letter; Respondent's response to Customer C's complaint letter; and certain account documents; and documents relating to the variable annuities at issue. The Arbitrator also reviewed Claimant's BrokerCheck® Report. It appears that the securities would have been suitable for Customer C within the context of the customers overall portfolio and investment objectives based upon the testimonial and documentary evidence presented at the hearing. It also appears that Claimant presented the customers with information concerning fees and other matters in connection with the variable annuities. Customer C did not advise of a position with respect to Claimant's expungement application and did not request an opportunity to be heard at the hearing.

Based upon the above factors, the Arbitrator concludes that the allegations against Claimant in Occurrence Number 1958819 were false. Respondent properly reported the complaint on Claimant's CRD and conducted an internal investigation. Respondent concluded that the allegations were without merit. Respondent took no position with respect to Claimant's application for expungement.

3. 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent 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: December 17, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: May 17, 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

Louis H. Miron

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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

Louis H Miron

Louis H. Miron
Sole Public Arbitrator

06/03/2021

Signature Date

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June 04, 2021

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