

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Michelle Parretti

Case Number: 20-02366

vs.

Respondent
Morgan Stanley

Hearing Site: Boston, Massachusetts

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 Michelle Parretti: Daniel D'Costa, Esq., D'Costa Law P.C., Hicksville, New York.

For Respondent Morgan Stanley: Abigail D. Elrod, Esq., Morgan Stanley Wealth Management, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: July 27, 2020.

Michelle Parretti signed the Submission Agreement: July 20, 2020.

Statement of Answer filed by Respondent on or about: September 28, 2020.

Morgan Stanley signed the Submission Agreement: September 28, 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.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1590965; 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 set forth a specific relief request.

At the 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 March 12, 2021, Claimant advised that the customers in Occurrence Number 1590965 were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted recorded, telephonic hearing on April 13, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customers 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 occurrence in the CRD.

The Arbitrator noted that the dispute related to Occurrence Number 1590965 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's BrokerCheck® Report, the pleadings, Claimant's testimony, and the 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. The Arbitrator recommends the expungement of all references to Occurrence Number 1590965 from registration records maintained by the CRD for Claimant Michelle Parretti (CRD Number 2351530) with the understanding that, pursuant to Notice to Members 04-16, Claimant Michelle Parretti 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 findings based on the following reasons:

The basis for the customer complaint remains shrouded. The written complaint cannot be located, and the Claimant testified that she had no recollection of any allegations contained within the written customer complaint that identified the specific issues as to which the customers complained. Claimant testified that she had a long-standing relationship with the customers. She reported that the customers had income from their respective pensions and their investment objectives were to grow their account with income and appreciation for their benefit should they need funds in the future. The customers' portfolio consisted of non-discretionary investment grade corporate bonds, money market funds and certificates of deposit, as well as a portfolio of equities managed by an outside investment manager for growth, over which she had no control. Claimant testified that over the term of the relationship, the value of the portfolio increased, and the customers received monthly statements as well as periodic reports of performance, and she spoke with them often. At no point prior to receipt of the written customer complaint did they express dissatisfaction with performance, although she testified that these customers, as well as many customers, expressed frustration during the economic downturn of 2008-2009. They appeared satisfied with the recovery up to November 15, 2011, the date when the complaint was received. The written complaint alleged that Claimant recommended and acquired for their benefit unsuitable equity investments (common and preferred), although no specific investments were identified, or the nature of unsuitability disclosed on the complaint. The customers' complaint did not identify an alleged damage amount and Claimant's BrokerCheck® Report identifies the damage amount as "\$0" and the Respondent denied the customers' complaint on May 23, 2012. No complaint, request for arbitration, or other judicial remedy were pursued by the customers at any point following the filing of the written complaint that serves as the basis for this expungement request. In the absence of any such evidence as to the basis for the customer complaint, the nature of the alleged misconduct of the Claimant, the basis for a claim of alleged loss sustained by the customers, and the potential claim of violation of any industry rules or other professional requirements, the Arbitrator can only conclude that the allegations made in customer complaint reflected are false.

2. 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
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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 giving rise to the dispute. Accordingly, as a party, Respondent Morgan Stanley is assessed the following:

Member Surcharge = \$ 150.00

Postponement Fees

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

March 26, 2021, postponement requested by Claimant = \$ 50.00

Total Postponement Fees = \$ 50.00

The Arbitrator has assessed the total postponement fees to Claimant.

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

March 26, 2021, cancellation requested by Claimant = \$ 600.00

Total Last-Minute Cancellation Fees = \$ 600.00

The Arbitrator has assessed the total last-minute cancellation fees to Claimant.

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 4, 2020 1 session

Two (2) hearing sessions on expungement request @ \$50.00/session = \$ 100.00
Hearings: February 26, 2021 1 session
April 13, 2021 1 session

Total Hearing Session Fees = \$ 150.00

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

Richard J. Grahn

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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

Richard J. Grahn

Richard J. Grahn
Sole Public Arbitrator

04/20/2021

Signature Date

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April 21, 2021

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