

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

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In the Matter of the Arbitration Between:

Claimant  
Michelle Parretti

Case Number: 20-02367

vs.

Respondent  
Citigroup Global Markets, Inc.

Hearing Site: Boston, Massachusetts

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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 Citigroup Global Markets, Inc.: Adam M. Kauff, Esq., Kauff Laton Miller LLP, 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 22, 2020.

Citigroup Global Markets, Inc. signed the Submission Agreement: September 22, 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 Numbers 1219850 and 1292138; 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 the Arbitrator deny Claimant's request for \$1.00 in compensatory damages.

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 February 26, 2021, Claimant advised that the customers in Occurrence Numbers 1219850 and 1292138 ("customers") were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on March 16, 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 occurrences in the CRD.

The settlement documentation related to Occurrence Number 1219850 could not be located. The customer filed the complaint in 2004. The Claimant testified that she did not contribute to the settlement. The Arbitrator considered the amount of payment made to any party to the settlement and based on Claimant's testimony, found that the settlement was not conditioned on any party to the settlement not opposing the expungement request. Although the settlement documents are not available, expungement is still appropriate considering the circumstances of the case. Claimant testified that she did not participate in the settlement and did not have a copy of a settlement agreement if, in fact, there was one, and counsel for the Respondent stated that no settlement agreement could be found. In view of this, it is fair to assume that there was no written agreement or, if there was one, Claimant should not be penalized for its absence.

The Arbitrator noted that the dispute related to Occurrence Number 1292138 was not settled and, therefore, there was no settlement document to review.

In recommending expungement, the Arbitrator relied upon the following evidence: pleadings, Claimant's testimony, and Claimant's BrokerCheck® Report.

### **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 1219850 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 finding based on the following reasons:

The customer claimed fraud, misrepresentation, and breach of contract. The Respondent settled the claim for \$100,000.00, but the Claimant was not notified of a hearing, if any, and either there was no written settlement agreement or, if there was one, no copies can be found. The Claimant stated that she would not have agreed to the settlement had she participated. Unopposed testimony was that the client's portfolio was 60% equities and 40% bonds, but prior to a severe market decline of 30%, the client directed that bond funds be used to purchase a flat in London, leaving the portfolio with 90% in equities. The 90% portfolio was severely affected by the 30% decline. The 60/40 portfolio was consistent with the client's need for both equity growth and income, and there was no evidence of fraud, misrepresentation, or breach of contract. Because there was no evidence of fraud, misrepresentation, or breach of contract, and because it was the client's decision to purchase the flat from bond funds that left the portfolio severely exposed to the market decline, the Arbitrator finds that the claims are false.

2. The Arbitrator recommends the expungement of all references to Occurrence Number 1292138 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 finding based on the following reasons:

The client claimed investments in her account were unsuitable. However, according to Claimant's unopposed testimony, the client's portfolio, using mutual funds, was 60% equities and 40% bonds. For the client's circumstances, requiring both income and growth, the portfolio was appropriate, and the Arbitrator therefore finds that the client's claim is false.

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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Citigroup Global Markets, Inc. is assessed the following:

Member Surcharge = \$ 150.00

#### **Postponement Fees**

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

March 15, 2021, postponement requested by Claimant = \$ 50.00

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Total Postponement Fees = \$ 50.00

The Arbitrator has assessed the total postponement 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:



**ARBITRATOR**

Steven S. Manos

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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**

***Steven S. Manos***

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Steven S. Manos  
Sole Public Arbitrator

**03/19/2021**

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Signature Date

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March 19, 2021

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