

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

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In the Matter of the Arbitration Between:

Claimant  
Anthony Gregory Pasculli

Case Number: 20-02407

vs.

Respondent  
The Jeffrey Matthews Financial Group, LLC

Hearing Site: Jersey City, New Jersey

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

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

**CASE INFORMATION**

Statement of Claim filed on or about: July 28, 2020.

Anthony Gregory Pasculli signed the Submission Agreement: July 21, 2020.

Statement of Answer filed by Respondent on or about: August 12, 2020.

The Jeffrey Matthews Financial Group, LLC signed the Submission Agreement: August 12, 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 stated that it did not oppose Claimant’s expungement request.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 177532; compensatory damages in the amount of \$1.00 from Respondent; that Respondent bear all

hearing costs; and any and all other relief that the Arbitrator deemed just and equitable.

In the Statement of Answer, Respondent requested the denial of responsibility for Claimant's request for compensatory damages in the amount of \$1.00 from Respondent in the Statement of Claim.

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 or about December 18, 2020, Claimant advised that the customers in Occurrence Number 177532 ("Customers") were served with a copy of the Statement of Claim, notice of the date and time of the expungement hearing and of their right to participate therein. On or about December 18, 2020, Claimant filed with FINRA Dispute Resolution Services a Certification of Service, along with proof of service via certified mail and via regular mail upon the underlying Customers, advising that the Customers were served on December 2, 2020, 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 10, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

At the expungement hearing, Claimant requested to submit a written closing summation by March 24, 2021, which was agreed to by the Arbitrator.

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 also reviewed the settlement documentation related to Occurrence Number 177532, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant contributed to the settlement amount.

On or about March 15, 2021, Claimant filed with FINRA Dispute Resolution Services a written closing summation.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant's testimony; and Claimant's Exhibits A, E, F, G, L, M, N, Q, R and Z.

## **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 177532 from registration records maintained by the CRD for Claimant Anthony Gregory Pasculli (CRD Number 2238324) with the understanding that, pursuant to Notice to Members 04-16, Claimant Anthony Gregory Pasculli 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.

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The claim, allegation, or information is false.

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

The allegation of unsuitability is false because the Customers, in the underlying Statement of Claim from 1996, stated that the Customers were unsophisticated investors. This statement is false, because the Customers confirmed in writing that they were “accredited investors” as defined within the meaning of Regulation D of the United States Securities Act of 1933 (“U.S. Securities Act”). This further undermined their claim of unsuitability. The Claimant submitted documents during the hearing, such as the first page of an Investor Representation Letter and individual pages of the Investment Subscription Agreement, which the Customers signed. Claimant testified that at the time, his conversations with the Customers involved discussions about higher yields.

The allegation of misrepresentation is erroneous because the Customers had been given the information required to be accredited investors, and the Customers signed the pertinent documents affirming such. Moreover, the Customers’ allegation of failure to supervise is incorrect, because Claimant’s supervisor provided the necessary documents to authorize the investment, which the Customers signed.

Regarding the statement that Claimant failed to conduct due diligence, this statement is erroneous. Claimant testified that his prior company hired Deloitte & Touche, a well-regarded accounting firm, to conduct a due diligence investigation in 1991. A copy of this report was entered into evidence. In addition, Claimant’s prior company hired Knoll

Associates, Inc., another well-regarded accounting firm, to conduct additional due diligence in 1994. The Knoll Associates, Inc. report was entered into evidence.

The amount listed in the underlying Statement of Claim and public BrokerCheck® Report was factually incorrect and false and was actually almost ten times the amount that the Customers invested. The underlying Amended Statement of Claim, dated October 4, 1996, shows the amount that the Customers invested. This Amended Statement of Claim was entered into evidence.

Claimant contributed to the settlement amount. The settlement was made in 1997 for much less. Claimant did not admit to any liability, although he and his supervisor did make a settlement payment. Claimant contributed to the settlement to avoid further legal costs and to pay off the nuisance value of the case. In Claimant’s words, he wanted to be “done with it.”

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

*\*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

**Postponement Fees**

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

February 2, 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.

**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:

February 2, 2021, cancellation requested by Claimant = \$ 600.00

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Total Last-Minute Cancellation Fees	= \$	600.00
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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:

Two (2) pre-hearing sessions with a single Arbitrator @ \$50.00/session	= \$	100.00
Pre-Hearing Conferences: December 1, 2020	1 session	
February 2, 2021	1 session	
One (1) hearing session on expungement request @ \$50.00/session	= \$	50.00
Hearing: March 10, 2021	1 session	
<b>Total Hearing Session Fees</b>	<b>= \$</b>	<b>150.00</b>

The Arbitrator has assessed \$125.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$25.00 of the hearing session fees to Respondent.

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

**ARBITRATOR**

Michael Fischetti

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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**

***Michael Fischetti***

Michael Fischetti  
Sole Public Arbitrator

**03/29/2021**

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.

March 29, 2021

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