

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Kevin Daniel McRae

Case Number: 21-00716

vs.

Respondent
Citizens Securities, Inc.

Hearing Site: Providence, Rhode Island

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 Kevin Daniel McRae: Dochter Kennedy, MBA, J.D., and Samantha Pastor, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Citizens Securities, Inc.: Amy M. McCallen, Esq., Citizens Bank, N.A., Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: March 17, 2021.

Kevin Daniel McRae signed the Submission Agreement: March 17, 2021.

Statement of Answer filed by Respondent on or about: June 22, 2021.

Citizens Securities, Inc. signed the Submission Agreement: June 22, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following cause of action: expungement of Form U5/termination based on the defamatory nature of the entry.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: amendment of the Reason for Termination entry in Section 3 of Claimant's Form U5 to read "Voluntary"; expungement of the Reason for Termination explanation on Claimant's CRD record; amendment of the responses on Claimant's Form U5 to "No"; deletion of the Termination Disclosure Reporting Pages accompanying Occurrence Number 2100033; damages in the amount of \$1.00 from Respondent; and any other relief as deemed just and equitable.

In the Statement of Answer, Respondent requested that Claimant's expungement request be denied.

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

After considering the pleadings, the testimony and evidence presented at the 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 request for \$1.00 in damages is denied.
2. The Arbitrator recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Kevin Daniel McRae's (CRD Number 6103632) Form U5 filed by Citizens Securities, Inc. (CRD Number 39550) on December 9, 2020 and maintained by the Central Registration Depository ("CRD"). The Reason for Termination shall be changed to "Other". The Termination Explanation shall be replaced with the following language: "Termination as a result of a dispute over the interpretation and application of the firm's incentive compensation program regarding the payment of discretionary bonuses". This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The Arbitrator further recommends the expungement of all references to Occurrence Number 2100033 from the registration records maintained by the CRD for Kevin Daniel McRae. Any "Yes" answers should be changed to "No," as applicable.

The Arbitrator recommends expungement based on the defamatory nature of the information. The above recommendations are made with the understanding that the registration records are not automatically amended. Kevin Daniel McRae must forward a copy of this Award to FINRA's Credentialing, Registration, Education and Disclosure Department for review.

3. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure ("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 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: August 9, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearings: February 16, 2022 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

Robert E. Anderson

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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

Robert E. Anderson

Robert E. Anderson
Sole Public Arbitrator

03/12/2022

Signature Date

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March 14, 2022

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