

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant  
Jeffrey Fratarcangeli

Case Number: 18-00175

vs.

Respondents  
Citigroup Global Markets, Inc. and  
Wells Fargo Advisors Financial Network, LLC

Hearing Site: Detroit, Michigan

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Nature of the Dispute: Associated Person vs. Members

**REPRESENTATION OF PARTIES**

For Claimant Jeffrey Fratarcangeli ("Claimant"): Brandon M. Taaffe, Esq., Shumaker, Loop & Kendrick, LLP, Sarasota, Florida.

For Respondent Citigroup Global Markets, Inc. ("Citigroup"): David I. Hantman, Esq., Bressler Amery & Ross P.C., New York, New York.

For Respondent Wells Fargo Advisors Financial Network, LLC ("Wells Fargo"): Michael Naccarato, Esq., Wells Fargo Law Department, St. Louis, Missouri.

**CASE INFORMATION**

Statement of Claim filed on or about: January 16, 2018.  
Amended Statement of Claim filed on or about: April 13, 2018.  
Claimant signed the Submission Agreement: January 12, 2018.

Citigroup did not file a Statement of Answer or sign the Submission Agreement prior to being removed as a Respondent.

Statement of Answer filed by Wells Fargo on or about: June 4, 2018.  
Wells Fargo signed the Submission Agreement: June 4, 2018.

**CASE SUMMARY**

In the Statement of Claim and Amended Statement of Claim, Claimant asserted a claim seeking expungement of a customer complaint ("Customer Complaint") from his registration records maintained by the Central Registration Depository ("CRD").

In the Statement of Answer to Amended Statement of Claim, Wells Fargo stated that it had no objection to Claimant's request for expungement.

### **RELIEF REQUESTED**

In the Statement of Claim and Amended Statement of Claim, Claimant requested expungement of all references to Occurrence Number 1315362 from his CRD registration records.

In the Statement of Answer to Amended Statement of Claim, Wells Fargo did not request relief.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Claimant's Amended Statement of Claim substituted Wells Fargo as the sole Respondent in place of Citigroup, which was named as the sole Respondent in Claimant's original Statement of Claim. Claimant's cause of action and request for relief remained the same.

Claimant provided notice of the expungement hearing and the Amended Statement of Claim to the customer in the Customer Complaint ("Customer") on or about September 4, 2018.

The Panel conducted a recorded, in-person hearing on October 2, 2018, so the parties could present oral argument and evidence on Claimant's request for expungement.

Wells Fargo participated in the expungement hearing but did not contest Claimant's request for expungement.

The Customer did not participate in the expungement hearing.

The Panel reviewed Claimant's BrokerCheck® Report. The Panel found that there was not a settlement related to the Customer Complaint. Accordingly, the Panel did not review a settlement agreement.

The Panel found that Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Panel relied upon the following documentary or other evidence: the pleadings and exhibits, testimony of Claimant, and arguments of Claimant's counsel. Specific documents relied upon included, without limitation, Claimant's BrokerCheck® Report, the Customer's complaint to Michigan Office of Finance and Insurance Services (MOFIS), MOFIS' letter to Citigroup, letter from Claimant's former attorney (A.M.) to the Customer, Claimant's memo to Complaint Department Counsel for Citigroup, and State of Wisconsin letter regarding Claimant's licensing.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

## **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the Panel has decided in full and final resolution of the sole issue of expungement submitted for determination as follows:

1. The Panel recommends the expungement of all references to Occurrence Number 1315362 from registration records maintained by the CRD for Claimant Jeffrey Fratacangeli (CRD# 2703603) with the understanding that, pursuant to Notice to Members 04-16, Claimant Jeffrey Fratacangeli 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, the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

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

The preponderance of the evidence showed that the Customer's complaint was unclear as to loss or damages. Declines in the Customer's account were the result of her own withdrawals of funds for personal expenses, not investment losses. Claimant cautioned the Customer repeatedly that withdrawals of funds from her investment account would reduce her account value and prevent her growth objectives from being realized. The Customer disregarded this advice.

## **FEES**

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

### **Filing Fees**

FINRA Office of Dispute Resolution assessed a filing fee\* for each claim:

Initial Claim Filing Fee	= \$ 1,575.00
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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 events giving rise to the dispute. Accordingly, as a party, Wells Fargo is assessed the following:

Member Surcharge	= \$ 1,900.00
Member Process Fee	= \$ 3,750.00

**Hearing Session Fees and Assessments**

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: August 15, 2018	1 session

One (1) hearing session on expungement request @ \$1,125.00/session	= \$ 1,125.00
Hearing Date: October 2, 2018	1 session
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Total Hearing Session Fees	= \$ 2,250.00

The Panel has assessed \$2,250.00 of the hearing session fees to Claimant.

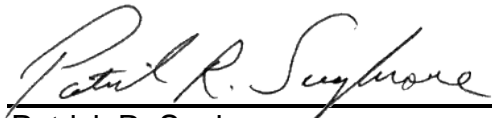
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

**ARBITRATION PANEL**

Patrick R. Sughroue	-	Public Arbitrator, Presiding Chairperson
Robert J. Scafuri	-	Public Arbitrator
William C. Kubicz	-	Non-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.

**Concurring Arbitrators' Signatures**



Patrick R. Sughroue  
Public Arbitrator, Presiding Chairperson

10/23/2018

Signature Date

Robert J. Scafuri  
Public Arbitrator

Signature Date

William C. Kubicz  
Non-Public Arbitrator

Signature Date

10/23/18

Date of Service (For FINRA Office of Dispute Resolution office use only)

**ARBITRATION PANEL**

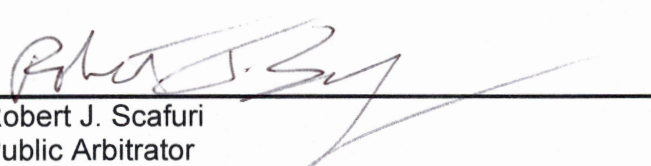
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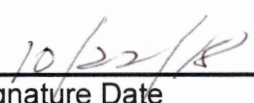
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