

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Marjorie R. Brown Trust U/A/D 11/25/1997

Case Number: 15-03239

vs.

Respondents
Morgan Stanley Smith Barney, LLC and
Citigroup Global Markets, Inc.

Hearing Site: Detroit, Michigan

Nature of the Dispute: Customer vs. Members

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Marjorie R. Brown Trust U/A/D 11/25/1997 ("Claimant"): Ralph J. Sirlin, Esq., Reosti & Sirlin, P.C., Royal Oak, Michigan.

For Respondents Morgan Stanley Smith Barney, LLC ("MSSB") and Citigroup Global Markets, Inc. ("Citigroup"), hereinafter collectively referred to "Respondents": Jerry M. Santangelo, Esq., Neal, Gerber & Eisenberg, LLP, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: December 2, 2015.
Claimant signed the Submission Agreement: November 30, 2015.

Statement of Answer filed jointly by Respondents on or about: February 26, 2016.
MSSB signed the Submission Agreement: February 25, 2016.
Citigroup signed the Submission Agreement: February 29, 2016.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, fraud, misrepresentations, breach of contract, failure to supervise, respondeat superior, violations of the Securities and Exchange Act of 1934, and violations of the Michigan Uniform Securities Act. The causes of action related to the recommendation to invest in the Belbrook Capital Fund, LLC. Claimant alleged that Respondents directed and effected unsuitable trading in Claimant's Trust account and misrepresented and omitted material facts.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

Compensatory Damages	\$900,000.00
Punitive Damages	Unspecified
Attorneys' Fees	Unspecified
Interest	Unspecified
Costs	Unspecified

Respondents requested that the Panel dismiss Claimant's claims in their entirety and grant Respondents such other relief as the Panel deems appropriate.

At the close of the hearing, Claimant requested a range of damages from \$667,018.00 to \$1,660,311.00, plus \$403,500.00 in interest.

OTHER ISSUES CONSIDERED AND DECIDED

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

The parties present at the hearing 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 evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$150,000.00 in compensatory damages.
2. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
3. Any and all claims for relief not specifically addressed herein, including punitive damages and attorneys' fees, are denied.

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	= \$ 1,725.00
--------------------------	---------------

**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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc. are assessed the following:

Morgan Stanley Smith Barney, LLC	
Member Surcharge	= \$ 2,475.00
Member Process Fee	= \$ 5,075.00
 Citigroup Global Markets, Inc.	
Member Surcharge	= \$ 2,475.00
Member Process Fee	= \$ 5,075.00

Postponement Fees

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

September 20-22, 2016, postponement requested jointly	= \$ 1,300.00
<hr/> Total Postponement Fees	= \$ 1,300.00

The Panel has assessed \$650.00 of the adjournment fees to Claimant Marjorie R. Brown Trust U/A/D 11/25/1997.

The Panel has assessed \$650.00 of the adjournment fees jointly and severally to Respondents Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc.

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 arbitrators, 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 a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: August 9, 2016	1 session
 One (1) pre-hearing session with the Panel @ \$1,300.00/session	= \$1,300.00
Pre-hearing conference: May 9, 2016	1 session
 Five (5) hearing sessions @ \$1,300.00/session	= \$6,500.00
Hearing Dates: May 2, 2017	2 sessions
May 3, 2017	2 sessions
May 4, 2017	1 session
<hr/> Total Hearing Session Fees	= \$8,250.00

The Panel has assessed \$4,125.00 of the hearing session fees to Claimant Marjorie R. Brown Trust U/A/D 11/25/1997.

The Panel has assessed \$4,125.00 of the hearing session fees jointly and severally to Respondents Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc.

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

ARBITRATION PANEL

Robert J. Scafuri	-	Public Arbitrator, Presiding Chairperson
A. Robert Stevenson	-	Public Arbitrator
Melissa B. VanDam	-	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

/s/ Robert J. Scafuri
Robert J. Scafuri
Public Arbitrator, Presiding Chairperson

May 15, 2017
Signature Date

/s/ A. Robert Stevenson
A. Robert Stevenson
Public Arbitrator

May 12, 2017
Signature Date

/s/ Melissa B. VanDam
Melissa B. VanDam
Public Arbitrator

May 14, 2017
Signature Date

May 15, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)

The Panel has assessed \$4,125.00 of the hearing session fees jointly and severally to Respondents Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc.

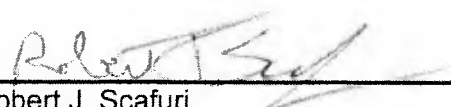
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Robert J. Scafuri	-	Public Arbitrator, Presiding Chairperson
A. Robert Stevenson	-	Public Arbitrator
Melissa B. VanDam	-	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



Robert J. Scafuri
Public Arbitrator, Presiding Chairperson

5/15/17

Signature Date

A. Robert Stevenson
Public Arbitrator

Signature Date

Melissa B. VanDam
Public Arbitrator

Signature Date

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

The Panel has assessed \$4,125.00 of the hearing session fees jointly and severally to Respondents Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc.

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

ARBITRATION PANEL

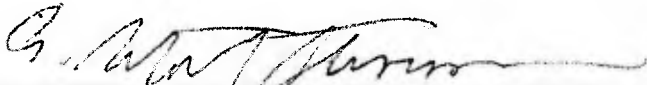
Robert J. Scafuri	-	Public Arbitrator, Presiding Chairpers
A. Robert Stevenson	-	Public Arbitrator
Melissa B. VanDam	-	Public Arbitrator

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

Robert J. Scafuri
Public Arbitrator, Presiding Chairperson

Signature Date



A. Robert Stevenson
Public Arbitrator



Signature Date

Melissa B. VanDam
Public Arbitrator

Signature Date

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

The Panel has assessed \$4,125.00 of the hearing session fees jointly and severally to Respondents Morgan Stanley Smith Barney, LLC and Citigroup Global Markets, Inc.

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

ARBITRATION PANEL

Robert J. Scafuri	-	Public Arbitrator, Presiding Chairperson
A. Robert Stevenson	-	Public Arbitrator
Melissa B. VanDam	-	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

Robert J. Scafuri
Public Arbitrator, Presiding Chairperson

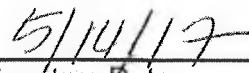
Signature Date

A. Robert Stevenson
Public Arbitrator

Signature Date



Melissa B. VanDam
Public Arbitrator



Signature Date

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