



Bank adviser wins nearly \$1.7M from Citizens Securities in hiring dispute

By Margarida Correia

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A FINRA arbitration panel has ordered Citizens Securities to pay a former broker nearly \$1.7 million for making misrepresentations when it recruited him from PNC Bank two years ago, according to a recent arbitration filing.

Frank Aiello claimed the bank promised him a \$30 million book of business but instead was given a book a third that size.

Source: Bloomberg



"The book didn't contain what they told him it would contain and it took him a couple of months to get it," said Aiello's attorney, Stuart Meissner of New York law firm Meissner Associates, adding that the book was "toxic."

"When he started calling the clients, a lot of them had complaints about the prior broker," he said.

Aiello was also told that he could continue to work in State College Pennsylvania where his clients were based but instead was assigned to branches far from that location, according to Meissner.

LEFT AFTER JUST FOUR MONTHS

Aiello left Citizens just four months after joining the firm in July 2015 and was on the hook for \$220,000, the amount of a promissory note he signed as part of the recruiting deal. He now works for PNC Bank in Warren, Pennsylvania, according to BrokerCheck records.

During the hearing, Aiello testified that after joining Citizens, the firm demanded that he execute an acknowledgement form stating that no promises were made to him and that he was instructed to backdate the document to a date prior to his start date.

"I am pleased that the panel heard the mountain of evidence we developed, some of which were Citizens' own witnesses, to support Mr. Aiello's allegations even though all of the promises made were oral," Meissner said.

The panel held Citizens liable for \$1.5 million in compensatory damages, plus nearly \$169,000 in interest and \$8,000 in sanctions. The award was offset by the \$220,000 Aiello received from Citizens as a promissory note, along with interest on the note in the amount of \$7,030, according to the arbitration award.

"We strongly disagree with the decision of the arbitration panel and stand behind both our hiring process and employees," Lauren DiGeronimo, a spokeswoman for Citizens, said in a statement.

HISTORY OF FALSE PROMISES

Meissner argued during the hearing that Citizens had a history of making false promises to potential recruits, bringing in both current and former employees who testified on Aiello's behalf that they were lied to. He also had as a witness a prospective recruit who turned down the bank's employment offer after it refused to put the promises it made him in writing.

"That could create a disaster from a litigation standpoint," a Citizens staff member wrote to a headhunter in an email that was presented at the hearing. "Can you imagine Frank Aiello with this kind of written promise?"

"Citizens Securities went out of its way, both during the events and during the arbitration process, to try to cover up and obstruct the truth from coming out, but they failed miserably," Meissner said.

BELL-RINGER

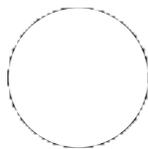
Brokers rarely win awards of this size against their former firms, according to Andrew Stoltmann, a Chicago securities attorney and president-elect of the Public Investors Arbitration Bar Association, which represents investors in disputes with the securities industry.

"That's a bell-ringer," he said of the award, adding that cases involving exaggerated representations are usually settled privately.

"There's no more intense cat fight in the FINRA arbitration forum than a broker versus his brokerage firm," he said.

In a statement, Aiello expressed his satisfaction with the FINRA panel's decision, congratulating it for seeing through "Citizens' attempt to mislead."

"I hope this award will give other employees who are misled during recruitment in the securities industry the incentive to fight for justice," he said.



Margarida Correia

Margarida Correia is associate editor of Bank Investment Consultant.



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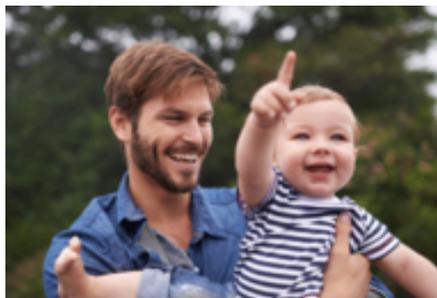
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