

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

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In the Matter of the Arbitration Between:

Claimant  
Stephen Scott Guzylak

Case Number: 18-03894

vs.

Respondent  
Charles Schwab & Co., Inc.

Hearing Site: Seattle, Washington

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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

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Stephen Scott Guzylak (“Claimant”): Robert J. Girard II, Esq. and Steven M. Buha, Esq., Girard Bengali, APC, Los Angeles, California.

For Respondent Charles Schwab & Co., Inc. (“Respondent”): Julie L. Taylor, Esq. and Igor V. Stadnik, Esq., Keesal, Young & Logan, San Francisco, California.

**CASE INFORMATION**

Statement of Claim filed on or about: November 9, 2018.  
Claimant signed the Submission Agreement: October 29, 2018.

Statement of Answer filed by Respondent on or about: January 18, 2019.  
Respondent signed the Submission Agreement: January 18, 2019.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: defamation; fraud; breach of implied covenant of good faith and fair dealing; negligence; and tortious interference with business relations. The causes of action relate to the termination of Claimant’s employment with Respondent and Claimant’s allegation that the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature.

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:

1. Expungement of Claimant's Form U5 on the basis that the information contained therein is defamatory in nature and portrays Claimant in a negative light;
2. Unspecified compensatory damages from Respondent in an amount to be proven at the hearing;
3. Special damages in an amount to be proven at the hearing, plus pre-award interest on such special damages;
4. Punitive or treble damages in an amount to be proven at the hearing;
5. Costs;
6. Expert fees;
7. Attorneys' fees;
8. Post-award interest on the total principal amount of the award at the maximum rate allowed by law; and
9. Such other and further relief the Panel deems just and proper.

In the Statement of Answer, Respondent requested:

1. Claimant take nothing against Respondent;
2. Judgment be entered in favor of Respondent and against Claimant;
3. Costs; and
4. Such other and further relief as the Panel may deem appropriate.

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

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

On June 22, 2020, Claimant filed a Motion for Limited Re-Opening of Discovery ("Motion"). On July 2, 2020, Respondent filed its opposition to the Motion. On July 7, 2020, Claimant filed his reply. On July 30, 2020, Claimant filed a supplement submission in support of the Motion. By Order dated July 30, 2020, the Panel granted the Motion and ordered that Claimant "pay the additional discovery-related costs incurred by Respondent resulting from this motion and its compliance up to \$5,000.00."

The Award in this matter may be executed in counterpart copies.

### **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. Respondent is liable for and shall pay to Claimant the sum of \$100,000.00 in compensatory damages.

2. Claimant is liable for and shall pay to Respondent the sum of \$5,000.00 in costs, which includes attorneys' fees, pursuant to the Panel's Order dated July 30, 2020.
3. The Panel recommends the expungement of all references to Occurrence Number 1970550 from the registration records maintained by the Central Registration Depository ("CRD") for Claimant Stephen Scott Guzylak (CRD Number 2977311). Any "Yes" answers should be changed to "No", as applicable.

The Panel 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. Stephen Scott Guzylak must forward a copy of this Award to FINRA's Credentialing, Registration, Education and Disclosure Department for review.

4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, 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	=\$ 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(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	=\$ 1,900.00
Member Process Fee	=\$ 3,750.00

#### **Postponement Fees**

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

October 8-11.2019, postponement requested by parties	=\$ 1,125.00
February 22-26, 2021, postponement requested by parties	= WAIVED

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Total Postponement Fees	=\$ 1,125.00
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The Panel has assessed \$562.50 of the postponement fees to Claimant.

The Panel has assessed \$562.50 of the postponement fees to Respondent.

#### **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:

October 8-11, 2019, cancellation requested by parties	= \$	1,800.00
February 22-26, 2021, cancellation requested by parties	=	WAIVED
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Total Last-Minute Cancellation Fees	= \$	1,800.00

The Panel has assessed \$900.00 of the last-minute cancellation fees to Claimant.

The Panel has assessed \$900.00 of the last-minute cancellation fees to Respondent.

**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 Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	4,500.00
Pre-Hearing Conferences:		
March 6, 2019	1 session	
April 21, 2020	1 session	
July 30, 2020	1 session	
March 2, 2021	1 session	
Eleven (11) hearing sessions @ \$1,125.00/session	= \$	12,375.00
Hearings:		
March 29, 2021	2 sessions	
March 30, 2021	2 sessions	
April 1, 2021	2 sessions	
April 2, 2021	2 sessions	
April 15, 2021	2 sessions	
April 28, 2021	1 session	
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Total Hearing Session Fees	= \$	16,875.00

The Panel has assessed \$7,875.00 of the hearing session fees to Claimant.

The Panel has assessed \$7,875.00 of the hearing session fees to Respondent.

The Panel has waived \$1,125.00 of the hearing session fees for the March 2, 2021 pre-hearing conference call.

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

**ARBITRATION PANEL**

Dean J. Dietrich	-	Public Arbitrator, Presiding Chairperson
Robert M Stein	-	Public Arbitrator
Jeffry Canin	-	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**

***Dean J. Dietrich***

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Dean J. Dietrich  
Public Arbitrator, Presiding Chairperson

**05/17/2021**

\_\_\_\_\_  
Signature Date

***Robert M Stein***

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Robert M Stein  
Public Arbitrator

**05/17/2021**

\_\_\_\_\_  
Signature Date

***Jeffry Canin***

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May 18, 2021

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