

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Eleven Stones, L.P.

Case Number: 19-01545

vs.

Respondent
Charles Schwab & Co., Inc.

Hearing Site: Boca Raton, Florida

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: Customer vs. Member

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Eleven Stones, L.P.: W. Barry Blum, Esq. and Paul J. Battista, Esq., Genovese, Joblove & Battista, P.A., Miami, Florida.

For Respondent Charles Schwab & Co., Inc.: Stacey M. Garrett, Esq., Keesal, Young & Logan, Long Beach, California, and Garrett R. Wynne, Esq., Charles Schwab & Co., Inc., Lone Tree, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: June 3, 2019.
Eleven Stones, L.P. signed the Submission Agreement: June 3, 2019.

Statement of Answer filed by Respondent on or about: July 26, 2019.
Charles Schwab & Co., Inc. signed the Submission Agreement: July 18, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of contract; negligence; breach of the duty of good faith and fair dealing; breach of fiduciary duty; conversion; wrongful garnishment under Missouri Law; and violations of the FINRA Rules, including but not limited to Rules 2010, 2090, 2150(a), 3110, and 4512. The causes of action relate to restrictions placed on Claimant's account with Respondent.

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: an award in favor of Claimant and against Respondent, and for all of the relief and damages to be shown in this proceeding.

In the Statement of Answer, Respondent requested: that Claimant's claims, and each of them, be denied in their entirety; that the arbitrators enter an award in favor of Respondent; that all forum fees, costs, and expenses associated with this arbitration be assessed against Claimant; for recoverable costs of suit incurred herein; and for such other and further relief as the Panel deemed just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

After the conclusion of Claimant's case-in-chief, Respondent made an ore tenus Motion to Dismiss. The Panel denied the Motion because a prima facie case was proved.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, 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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent Charles Schwab & Co., Inc. 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 Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	3,375.00
Pre-Hearing Conferences: October 4, 2019	1 session	
October 30, 2019	1 session	
September 4, 2020	1 session	

Twelve (12) hearing sessions with the Panel @ \$1,125.00/session	= \$	13,500.00
Hearings: March 8, 2021	2 sessions	
March 9, 2021	2 sessions	
March 10, 2021	2 sessions	
March 12, 2021	1 session	
May 10, 2021	2 sessions	
May 14, 2021	1 session	
June 21, 2021	2 sessions	

Total Hearing Session Fees	= \$	16,875.00
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The Panel has assessed \$15,187.50 of the hearing session fees to Claimant.

The Panel has assessed \$1,687.50 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Robert Lawrence Ostrov	-	Public Arbitrator, Presiding Chairperson
Kevin A. Llinas	-	Public Arbitrator
Herbert N. Ladenheim	-	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

Robert Lawrence Ostrov

Robert Lawrence Ostrov
Public Arbitrator, Presiding Chairperson

06/29/2021

Signature Date

Kevin A. Llinas

Kevin A. Llinas
Public Arbitrator

06/29/2021

Signature Date

Herbert N. Ladenheim

Herbert N. Ladenheim
Non-Public Arbitrator

06/29/2021

Signature Date

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June 30, 2021

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