

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

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In the Matter of the Arbitration Between:

Claimant  
Cara Thomas

Case Number: 20-00235

vs.

Respondent  
Charles Schwab & Co., Inc.

Hearing Site: Orlando, Florida

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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 Cara Thomas (“Claimant”): Jennifer P. Farrar, Esq., Farrar Law PLLC, Tomball, Texas.

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

**CASE INFORMATION**

Statement of Claim filed on or about: January 22, 2020.

Claimant signed the Submission Agreement: January 18, 2020.

Statement of Answer filed on or about: April 1, 2020.

Respondent signed the Submission Agreement: March 31, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: fraudulent misrepresentation, negligent misrepresentation, breach of employment agreement, breach of employment agreement implied in fact, breach of oral contract, defamation, and breach of fiduciary duty. The causes of action related to Claimant’s allegation that she was wrongfully terminated from Respondent. Claimant asserted a claim alleging that the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature.

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 compensatory damages of \$100,000.01 to \$500,000.00; loss of compensation, including but not limited to, salary, commission, performance bonus, benefits, and deferred compensation benefits; damages for the present value of salary and/or commissions that would have been generated over Claimant's lifetime and loss of negotiating an advance against future commissions; good will damages; punitive damages; pre-award interest; forum fees and costs, including expert witness fees; correction of Claimant's Form U5; and for such other and further relief as this Panel deems just and proper.

In the Statement of Answer, Respondent requested that Claimant take nothing and that this matter be dismissed in its entirety; that Claimant be taxed with the costs of this suit, including arbitrators' fees, expert fees, and expenses; and for other such relief as this Panel deems 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.

On January 31, 2022, Claimant filed a notice of partial settlement regarding the damages portion of the claim. Therefore, the Panel made no determination with respect to any of the relief requests regarding damages contained in the Statement of Claim.

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:

The Panel recommends the expungement of the Termination Explanation in Section 3 of Cara Lucia Thomas's (CRD Number 5869965) Form U5 filed by Charles Schwab & Co., Inc. on August 1, 2018, and maintained by the CRD. The Reason for Termination shall remain the same. The Termination Explanation shall be deleted in its entirety and replaced with the following language: "Unsatisfactory job performance." This directive shall apply to all references to the Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Cara Lucia Thomas must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

## FEES

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

### Filing Fees

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

Initial Claim Filing Fee	=\$ 1,425.00
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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

### Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

March 15, 2021, cancellation requested by the parties	=\$ 300.00
June 21, 2021, cancellation requested by the parties	=\$ 300.00
<hr/> Total Late Pre-Hearing Cancellations	<hr/> =\$ 600.00

The Panel has assessed \$300.00 of the late pre-hearing cancellation fees to Claimant.

The Panel has assessed \$300.00 of the late pre-hearing cancellation fees to Respondent.

### Postponement Fees

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

February 16-17, 2022, postponement requested by the parties	=\$ 1,125.00
<hr/> Total Postponement Fees	<hr/> =\$ 1,125.00

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

The Panel has assessed \$562.50 of the postponement 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 Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which 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: May 27, 2020	1 session

One (1) hearing session @ \$1,125.00/session	= \$	1,125.00
Hearing: February 18, 2022 1 session		
<hr/> Total Hearing Session Fees	= \$	2,250.00

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

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

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

**ARBITRATION PANEL**

Stuart K. Furman	-	Public Arbitrator, Presiding Chairperson
Mary Ann Etzler	-	Public Arbitrator
Mildred Dorta	-	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**

***Stuart K. Furman***

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Stuart K. Furman  
Public Arbitrator, Presiding Chairperson

**03/12/2022**

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

***Mary Ann Etzler***

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Mary Ann Etzler  
Public Arbitrator

**03/11/2022**

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

***Mildred Dorta***

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Mildred Dorta  
Non-Public Arbitrator

**03/14/2022**

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

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March 14, 2022

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