

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Jeff C. Jen

Case Number: 20-01984

vs.

Respondent
Charles Schwab & Co., Inc.

Hearing Site: Los Angeles, California

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 Jeff C. Jen (“Claimant”): Benjamin Winograd, Esq., HLBS Law, Westminster, Colorado.

For Respondent Charles Schwab & Co., Inc. (“Respondent”): Robyn C. Crowther, Esq., Steptoe & Johnson LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: June 23, 2020.

Claimant signed the Submission Agreement: June 23, 2020.

Statement of Answer filed by Respondent on or about: August 28, 2020.

Respondent signed the Submission Agreement: August 28, 2020.

CASE SUMMARY

In the Statement of Claim, 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:

1. Expungement of the Form U5 corresponding with Occurrence Number 2034558 and those relevant portions of the Form U4 from Claimant's CRD records on the basis that the statement is defamatory in nature, misleading, inaccurate, and/or erroneous, to include:
 - a. Expungement of the Reason for Termination explanation on Claimant's CRD;
 - b. Amendment of the answer to question 7F(1) of Claimant's Form U5, from "Yes" response to "No"; and
 - c. A deletion of the accompanying Termination Disclosure Reporting page corresponding with Occurrence Number 2034558, in its entirety;
2. Compensatory damages in the amount of \$1.00; and
3. Any other relief as the Panel deems just and equitable.

In the Statement of Answer, Respondent requested:

1. Claimant take nothing by his claim and this matter be dismissed in its entirety with prejudice;
2. Claimant be assessed all costs of this suit, including arbitrator fees and costs; and
3. Such other relief as the Arbitrator deems just and equitable.

At the hearing, Claimant withdrew his request for \$1.00 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

The Arbitrator has provided an explanation of the decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

FINDINGS

Claimant admitted that he violated the internal rules and policies of Respondent by sharing confidential customer information with a third party outside the presence of the customer. However, Claimant stated that the instructions to disclose the information were based on oral standing instructions of the customer. Claimant did not provide written instructions from the customer or notes documenting that he had authorization from the customer prior to communicating with the customer's accountant about the customer's confidential matters. Claimant also failed to provide evidence that the customer gave the accountant a power of attorney.

Claimant's conduct violated investment-related statutes, regulations, rules, or industry standards of conduct. Occurrence Number 2034558 is not defamatory but rather true, and truth is a defense to a claim of defamation.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues

submitted for determination as follows:

1. Claimant's request for expungement and amendment of his Form U5 is denied.
2. Any and all claims for relief not specifically addressed herein 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 = \$ 50.00

**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 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 = \$ 150.00

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, which lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) pre-hearing sessions with a single Arbitrator @ \$50.00/session = \$ 100.00
Pre-Hearing Conferences: October 12, 2020 1 session
February 22, 2021 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: April 13, 2021 1 session

Total Hearing Session Fees = \$ 150.00

The Arbitrator has assessed \$75.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$75.00 of the hearing sessions fees to Respondent.

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

ARBITRATOR

Natalie Panossian-Bassler - Sole 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.

Arbitrator's Signature

Natalie Panossian-Bassler

Natalie Panossian-Bassler
Sole Public Arbitrator

04/23/2021

Signature Date

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April 23, 2021

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