

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Aaron Leatherwood

Case Number: 20-02563

vs.

Respondent
Charles Schwab & Co., Inc.

Hearing Site: Denver, Colorado

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 Aaron Leatherwood (“Claimant”): Frances Menzer, Esq., HLBS Law, Westminster, Colorado.

For Respondent Charles Schwab & Co., Inc. (“Respondent”): Leah M. Quadrino, Esq., Steptoe & Johnson LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: August 10, 2020.

Claimant signed the Submission Agreement: August 10, 2020.

Statement of Answer filed by Respondent on or about: October 1, 2020.

Respondent signed the Submission Agreement: October 1, 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, misleading, inaccurate, and/or erroneous.

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 2034619, 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. amendment of the answer to question 7F(1) of Claimant’s Form U5, from a “Yes” response to “No”;
 - b. amendment of the answer to question 14J(1) of Claimant’s Form U4, from a “Yes” response to “No”; and
 - c. deletion of the Termination Disclosure Reporting Pages accompanying occurrence number 2034619;
2. Compensatory damages in the amount of \$1.00 from Respondent; and
3. Any other relief as the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent requested:

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

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

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement 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 of his Form U5 is denied.
2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the 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:

One (1) pre-hearing session with a single Arbitrator @ \$50.00/session = \$ 50.00
Pre-Hearing Conference: December 7, 2020 1 session

Three (3) hearing sessions on expungement request @ \$50.00/session = \$ 150.00
Hearings: June 28, 2021 2 sessions
June 29, 2021 1 session

Total Hearing Session Fees = \$ 200.00

The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Anita Rae Shapiro

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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

Anita Rae Shapiro

Anita Rae Shapiro
Sole Public Arbitrator

07/19/2021

Signature Date

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July 20, 2021

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