

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Payden Thomas Bullis
Rene Rojas

Case Number: 21-00156

vs.

Respondent

Charles Schwab & Co., Inc.

Hearing Site: Phoenix, Arizona

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 Persons vs. Member

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Payden Thomas Bullis (“Bullis”), and Rene Rojas (“Rojas”): David Monsour, Esq., Barr & Young Attorneys, Danville, California.

Hereinafter, Bullis and Rojas are collectively referred to as “Claimants”.

For Respondent Charles Schwab & Co., Inc. (“Respondent”): Rachael Conley, Esq., Charles Schwab & Co., Inc., Lone Tree, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: January 21, 2021.

Claimants signed the joint Submission Agreement: January 21, 2021.

Statement of Answer filed by Respondent on or about: February 1, 2021.

Charles Schwab & Co., Inc. signed the Submission Agreement: February 1, 2021.

CASE SUMMARY

In the Statement of Claim, Claimants asserted claims seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent did not oppose Claimants’ expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. Expungement of Occurrence Number 2067646 from Bullis' CRD records pursuant to FINRA Rule 2080, as:
 - a. the claim, allegation, or information is factually impossible or clearly erroneous; and/or
 - b. Bullis was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and/or
 - c. the claim, allegation, or information is false;
2. Expungement of Occurrence Number 2067644 from Rojas' CRD records pursuant to FINRA Rule 2080, as:
 - a. the claim, allegation, or information is factually impossible or clearly erroneous; and/or
 - b. Rojas was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and/or
 - c. the claim, allegation, or information is false;
3. Compensatory damages in the amount of \$50.00 from Respondent; and
4. Such other relief as the Arbitrator deems just and proper.

In the Statement of Answer, Respondent did not set forth a specific request for relief.

OTHER ISSUES CONSIDERED AND DECIDED

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

On March 22, 2021, the parties agreed to proceed with a single arbitrator for this matter.

On May 18, 2021, Claimants advised that the customer in Occurrence Numbers 2067646 and 2067644 ("Customer") was served with the Statement of Claim and notice of the date and time of the expungement hearing.

On May 27, 2021, the Customer submitted a declaration supporting Claimants' expungement request.

The Arbitrator conducted a recorded hearing by videoconference on August 25, 2021, so the parties could present oral argument and evidence on Claimants' request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customer did not participate in the expungement hearing. The Arbitrator found that the Customer had notice of the expungement request and hearing.

The Arbitrator reviewed Claimants' BrokerCheck® Reports. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator noted that the disputes related to Occurrence Numbers 2067646 and 2067644 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: pleadings; exhibits; the Customer's declaration; and Claimants' testimony.

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 claim for \$50.00 in compensatory damages is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number 2067646 from registration records maintained by the CRD for Claimant Payden Thomas Bullis (CRD Number 6409227) with the understanding that, pursuant to Notice to Members 04-16, Claimant Payden Thomas Bullis must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The Arbitrator recommends the expungement of all references to Occurrence Number 2067644 from registration records maintained by the CRD for Claimant Rene Rojas (CRD Number 6701802) with the understanding that, pursuant to Notice to Members 04-16, Claimant Rene Rojas must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code of Arbitration Procedure ("Code"), the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Both Claimants received inquiry calls from the Customer. The Customer was not assigned to either of the Claimants. The Customer's account was frozen during his divorce proceeding. The Court Order lifting the order was received and the Customer's funds were released the day after the order was received by Respondent. The process of lifting the freeze was explained to the Customer by Bullis, to little avail. The account was released the day after the order lifting the freeze order, which is surely reasonable. The

Customer alleged theft by Claimants, without any support. He received all of his assets. There was no theft.

The Customer was able to withdraw his assets the day after he so requested, when Respondent had reviewed and processed the order from the Customer's divorce proceeding. Respondent marked the complaint finished. The Customer did not seek damages or seek to further his complaint in any way. Indeed, when given notice of the expungement proceedings, the Customer provided a declaration supporting the expungement as to each Claimant. There was testimony by Claimants and a statement by Respondent that there was no settlement of the claim; it was "merely" closed.

Although Respondent did not do anything wrong in this matter, neither did either of Claimants. Claimants were doing their job, and did nothing wrong. Justice would not be served by requiring Claimants, who were Respondent's employees, to pay any part of the costs engendered by this Customer, who was Respondent's customer.

3. Respondent is liable for and shall pay to Bullis the sum of \$375.00 to reimburse Bullis for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.
4. Respondent is liable for and shall pay to Rojas the sum of \$375.00 to reimburse Rojas for the non-refundable portion of the filing fee owed to FINRA Dispute Resolution Services.
5. 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:

Expungement Filing Fee for Bullis	=\$ 1,575.00
Expungement Filing Fee for Rojas	=\$ 1,575.00

**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	=\$ 1,900.00
Member Process Fee	=\$ 3,750.00

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 @ \$1,125.00/session Pre-Hearing Conference: May 17, 2021	1 session	= \$	1,125.00
One (1) hearing session on expungement request @ \$1,125.00/session Hearing: August 25, 2021	1 session	= \$	1,125.00
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Total Hearing Session Fees		= \$	2,250.00

The Arbitrator has waived the total hearing session fees.

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

ARBITRATOR

Sandra L. Malek

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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

Sandra L. Malek

Sandra L. Malek
Sole Public Arbitrator

09/16/2021

Signature Date

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.

September 16, 2021

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