

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Kristen E. Graham

Case Number: 21-00620

vs.

Respondent
Charles Schwab & Co., Inc.

Hearing Site: Louisville, Kentucky

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

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Kristen E. Graham (“Claimant”): Norman W. Graham, Esq., GRAHAM PLLC, Louisville, Kentucky.

For Respondent Charles Schwab & Co., Inc. (“Respondent”): Kevin H. Lewis, Esq., Charles Schwab & Co., Inc., San Francisco, California.

CASE INFORMATION

Statement of Claim filed on or about: March 8, 2021.
Amended Statement of Claim filed on or about: May 17, 2021.
Claimant signed the Submission Agreement: March 6, 2021.

Statement of Answer filed on or about: April 27, 2021.
Statement of Answer to Amended Statement of Claim filed on or about: June 2, 2021.
Respondent signed the Submission Agreement: April 27, 2021.

CASE SUMMARY

In the Statement of Claim, as amended, Claimant alleged that Respondent placed and maintained a “Liquidate Only” restriction on her account, blocking her from implementing an ongoing hedging strategy; failed to remove the restriction after being informed multiple times of the problem notwithstanding the availability of sufficient funds in the account; restricted Claimant’s ability to deposit sufficient funds to eliminate or reduce a margin deficiency or deficiencies

subsequent to a margin call; and failed to adequately and truthfully advise her about the actual deadline pursuant to which a margin call needs to be resolved under FINRA rules.

Unless specifically admitted in the Statement of Answer, as amended, Respondent denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimant requested compensatory damages of \$33,207.37.

In the Statement of Answer, as amended, Respondent requested dismissal of the Statement of Claim and Amended Statement of Claim in its entirety; forum fees and costs incurred in the connection with the defense of this matter; and such further relief as the Arbitrator deems just and proper.

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 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 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, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee = \$ 600.00

**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 = \$ 750.00

Member Process Fee = \$ 1,750.00

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:

Two (2) pre-hearing sessions @ \$450.00/session		= \$	900.00
Pre-Hearing Conferences: July 1, 2021	1 session		
October 20, 2021	1 session		

Two (2) hearing sessions @ \$450.00/session		= \$	900.00
Hearing: November 2, 2021	2 sessions		

Total Hearing Session Fees = \$ 1,800.00

The Arbitrator has assessed \$1,350.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$450.00 of the hearing session fees to Respondent.

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

ARBITRATOR

Barry Goldman

-

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

Barry Goldman

Barry Goldman
Sole Public Arbitrator

11/03/2021

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.

November 03, 2021

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