

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Charles Schwab & Co., Inc.

Case Number: 15-01862

vs.

Respondent
Armando Cervantes

Hearing Site: Seattle, Washington

Nature of the Dispute: Member vs. Customer

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Charles Schwab & Co., Inc. ("Claimant"): Geoffrey S. Beckham, Esq.,
Charles Schwab & Co., Inc., San Francisco, California.

Respondent Armando Cervantes ("Respondent") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: July 20, 2015.

Claimant signed the Submission Agreement: July 8, 2015.

Statement of Answer filed by Respondent on or about: September 9, 2015.

Respondent signed the Submission Agreement: September 9, 2015.

CASE SUMMARY

Claimant asserted the following cause of action: breach of contract. The cause of action relates to the exercise and sale of Respondent's Cheesecake Factory Employee Stock Options from his brokerage account maintained by Claimant.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. The sum of \$107,704.11 on the unsecured debit balance in Respondent's account;

2. Interest calculated at California's statutorily prescribed interest rate of 10% as of May 27, 2014, as well as post-award interest at the legal rate;
3. All fees, costs and expenses associated with this arbitration, including the FINRA filing fee of \$2,125.00, the member surcharge of \$1,700.00, and all FINRA forum and hearing fees incurred in the course of this proceeding; and
4. Such other and further relief as the Panel deems appropriate.

In the Statement of Answer, Respondent requested that the Panel reaffirm the stock options and that no penalties or expenses associated with this arbitration are his responsibility.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have read the pleadings and other materials filed by the parties.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel 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 are denied.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	= \$ 2,125.00
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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, Charles Schwab & Co., Inc. is assessed the following:

Member Surcharge	= \$ 1,700.00
Member Process Fee	= \$ 3,250.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 7-9, 2016, adjournment by parties = \$1,125.00

Total Adjournment Fees = \$1,125.00

The Panel has assessed \$1,125.00 of the adjournment fees to Claimant.

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), that 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: November 20, 2015 1 session

Two (2) hearing sessions @ \$1,125.00/session = \$2,250.00
Hearing Date: September 26, 2016 2 sessions

Total Hearing Session Fees = \$3,375.00

The Panel has assessed \$3,375.00 of the hearing session fees to Claimant.

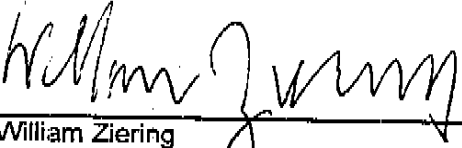
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

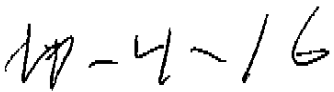
William Ziering	-	Public Arbitrator, Presiding Chairperson
William P. Bergsten	-	Public Arbitrator
Paul R. Meyer	-	Public Arbitrator

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



William Ziering
Public Arbitrator, Presiding Chairperson



Signature Date

William P. Bergsten
Public Arbitrator

Signature Date

Paul R. Meyer
Public Arbitrator

Signature Date

October 4, 2016
Date of Service (For FINRA Office of Dispute Resolution office use only)

ARBITRATION PANEL

William Ziering	-	Public Arbitrator, Presiding Chairperson
William P. Bergsten	-	Public Arbitrator
Paul R. Meyer	-	Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

William P. Bergsten

William P. Bergsten
Public Arbitrator

10/4/16

Signature Date

Paul R. Meyer
Public Arbitrator

Signature Date

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Public Arbitrator

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