Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

<u>Claimants</u>
Cameron L. Morthland, Trustee of the David & Virginia Morthland Exempt Trust FBO Cameron L. Morthland and Bryce E. Morthland, Trustee of the David & Virginia Morthland Exempt Trust FBO Bryce E. Morthland

<u>Case Number</u>: 24-00385

vs.

<u>Respondent</u>
Charles Schwab & Co., Inc.

<u>Hearing Site</u>: 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: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Cameron L. Morthland, Trustee of the David & Virginia Morthland Exempt Trust FBO Cameron L. Morthland ("Cameron Morthland") and Bryce E. Morthland, Trustee of the David & Virginia Morthland Exempt Trust FBO Bryce E. Morthland ("Bryce Morthland") : W. Scott Greco, Esq., Greco & Greco, P.C., Mclean, Virginia.

Hereinafter, Cameron Morthland and Bryce Morthland will collectively be referred to as "Claimants".

For Respondent Charles Schwab & Co., Inc. ("Respondent"): Neil S. Baritz, Esq., Baritz & Colman LLP, Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 20, 2024.
Claimants signed the Submission Agreement: February 14, 2024.

Statement of Answer filed on or about: May 24, 2024.
Respondent signed the Submission Agreement: May 23, 2024.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: negligence; breach of contract; violations of FINRA rules; and breach of fiduciary duty. The causes of action relate to Okcoin cryptocurrency.

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, Claimants requested:

1. Compensatory damages in the amount of $1,339,822.11;
2. Interest assessed up to the time of payment of the award and/or damages resulting from the loss of use of the investment funds;
3. Costs, FINRA fees, and expert witness fees incurred by Claimants in order to prosecute this action; and
4. Such other and further relief to which the Claimants may be justly entitled as determined by the Panel.

In the Statement of Answer, Respondent requested:

1. Denial of the Statement of Claim with prejudice;
2. Attorneys' fees and costs incurred in connection with defense of this matter; and
3. Such further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

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. Respondent is liable for and shall pay to Claimants the sum of $1,339,822.11 in compensatory damages.

2. Any and all claims for relief not specifically addressed herein, including any requests for 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	=$	2,025.00

**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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	=$	3,200.00
Member Process Fee	=$	6,375.00

Discovery-Related Motion Fees
Fees apply for each decision rendered on a discovery-related motion.

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ $200.00/decision	=$	400.00

Claimants submitted one (1) discovery-related motion
Respondent submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees	=$	400.00

The Panel has assessed $200.00 of the discovery-related motion fees jointly and severally to Claimants.

The Panel has assessed $200.00 of the discovery-related motion fees to Respondent.

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), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ $1,435.00/session			=$	1,435.00
Pre-Hearing Conference:	June 26, 2024	1 session		
Eight (8) hearing sessions @ $1,435.00/session			=$	11,480.00
Hearings:	September 1, 2026	2 sessions		
	September 2, 2026	2 sessions		
	September 3, 2026	2 sessions		
	September 4, 2026	2 sessions		

Total Hearing Session Fees	=$	12,915.00

The Panel has assessed $6,457.50 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed $6,457.50 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Timothy J. Kroll	-	Public Arbitrator, Presiding Chairperson
Hector R. Diaz-Olmo	-	Public Arbitrator
Ronald J. Broida	-	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

Timothy J. Kroll	**09/09/2026**
Timothy J. Kroll Public Arbitrator, Presiding Chairperson	Signature Date

Ronald J. Broida	**09/09/2026**
Ronald J. Broida Public Arbitrator	Signature Date

Dissenting Arbitrator's Signature

The decision herein decided by the Arbitrators is in reference to the FINRA Regulations that were created to protect the elderly from abuses in their investing activities. It is well known that the elderly is the most common victim of scams everywhere. The Regulations herein referred to were made to prevent this from continuing to happen.

The decision taken in this case does not comply with the intent of FINRA regulations. Not approving the payment of legal fees (one third of the amount granted, as Claimants agreed to pay to their attorney), as well as interests and costs leaves them with less than two-thirds of the amount they should receive. The decision actually grants Claimants a net amount that is two-thirds of the main amount they should have received. We are in fact failing to provide the remedy needed and thus we fall short of complying with the regulations as well as not setting a standard by which all potential Respondents will have to abide. Giving “Half a Remedy" is not giving a real remedy.

Hector R. Diaz-Olmo	**09/09/2026**
Hector R. Diaz-Olmo Public Arbitrator	Signature Date

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September 10, 2026

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