



## **FINRA Arbitration Panel Awards \$1.8 Million to Two Former USAA Wealth Advisors Represented by Shustak Reynolds & Partners, P.C.**

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SAN DIEGO--(BUSINESS WIRE)--Shustak Reynolds & Partners, P.C. ([www.shufirm.com](http://www.shufirm.com)) announces it won a \$1.8 million arbitration award on behalf of two financial advisors who were terminated from USAA Financial Advisors, Inc. in May 2017. Notably, of the \$1.8 million, \$700,000 was for punitive damages based on USAA's egregious conduct and \$250,000 was for attorneys' fees.

Following their termination in 2017, the advisors, both of whom hold Certified Financial Planner™ designations in addition to several FINRA securities licenses, struggled to reenter the securities industry due to the inaccurate and defamatory disclosures USAA made on their Central Registration Depository (CRD) records concerning their "alleged" financial planning practices while licensed with USAA. In addition to the \$1.8 million award, the Arbitration Panel recommended full expungement and removal of those false disclosures and a change to "voluntary resignation" from "involuntary termination." See *Christopher Johnson and Lee Przybyla v. USAA Financial Advisors, Inc. – FINRA Case No. 17-03279*.

Partners *Jonah A. Toleno, Esq.*, *George C. Miller, Esq.*, and Senior Associate *Katherine S. Bowles, Esq.* of Shustak Reynolds & Partners, P.C.'s San Diego office represented Johnson and Przybyla in the case.

"The award represents a complete victory and total vindication for our clients," said Toleno. "The inclusion of almost \$1 million in punitive damages and legal fees only underscores how outrageous the Panel found USAA's actions and conduct to be," she added.

"We are pleased for our clients, who had the courage to stand up and fight after they were wrongfully terminated, defamed and treated as scapegoats for the firm's own internal failures," said Miller. "No amount of money can compensate the Claimants for what they went through, but our hope is the Award will help them move on and restart their careers, and send a clear and loud message to USAA that it cannot treat its employees in this manner," he added.

In their Statement of Claim, originally filed December 2017 with five other former USAA advisors who USAA terminated at the same time and for the same purported reasons, Claimants Christopher Johnson and Lee Przybyla alleged, among others, claims for defamation, wrongful termination, breach of contract, tortious interference and negligent supervision and retention. USAA subsequently filed a motion to separate the proceeding into seven separate arbitrations. In denying, in part, and granting, in part, USAA's motion, the Panel ordered the first-filed case to proceed with Johnson and Przybyla against USAA. The remaining cases are scheduled for arbitration hearings later in 2019 and 2020. Toleno and Miller said they are "loaded for bear" to proceed with those other, pending cases in light of this first Award.

The Award is one of the largest FINRA decisions so far this year arising out of an employment dispute and includes one of the largest punitive awards (\$700,000) in several years. By awarding significant punitive damages on top of substantial economic damages, the Panel clearly intended to send a strong message to USAA and deter similar misconduct in the future.

Shustak Reynolds & Partners focuses its practice on securities and financial services law and complex business disputes. The firm routinely represents broker-dealers, RIA firms and financial advisors in arbitrations, litigations and regulatory proceedings across the country.

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