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9 CHARLES SCHWAB & CO., INC.

10  
11 IN THE UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA – RIVERSIDE DIVISION

13 CHARLES SCHWAB & CO., INC.,

14 Plaintiff,

15 v.

16 DAVIES FINANCIAL ADVISORS,

17 Defendant.

Case No.: 5:25-cv-03338

**COMPLAINT FOR DAMAGES  
AND INJUNCTIVE RELIEF**

1. MISAPPROPRIATION OF TRADE SECRETS - DEFEND TRADE SECRETS ACT (18 U.S.C. § 1836 et seq.);
2. TORTIOUS INTERFERENCE WITH CONTRACT;
3. TORTIOUS INTERFERENCE WITH CONTRACTUAL AND BUSINESS RELATIONSHIPS;
4. STATUTORY AND COMMON LAW UNFAIR BUSINESS PRACTICES;
5. CIVIL CONSPIRACY

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26 Plaintiff, Charles Schwab & Co., Inc. (“Schwab”), brings the following  
27 Complaint seeking damages and injunctive relief against Defendant, Davies  
28 Financial Advisors (“DFA” or “Defendant”), and in support states as follows:

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**PRELIMINARY STATEMENT**

This action arises from Defendant DFA’s knowing misuse of Plaintiff Schwab’s confidential and trade secret client information to divert well over \$85 million in client assets that Schwab entrusted to its former Financial Consultant, Brett Griffin, for servicing on Schwab’s behalf. Schwab, a national broker-dealer, invested substantial resources to develop and protect its client relationships and nonpublic personal information, and it provided Griffin with access to that information and with valuable benefits in exchange for his commitment not to use or disclose its trade secret client information.

Instead of honoring his contractual and statutory obligations, Griffin (while still employed by Schwab and then as DFA’s registered Investment Adviser Representative) secretly positioned himself and DFA to solicit Schwab’s clients using Schwab’s protected client lists and nonpublic personal information, improperly communicated with those clients through undisclosed personal channels, and misled them about his continuing affiliation with Schwab and his authority to service their Schwab accounts from DFA. Clients reported being confused about whether their assets were still at Schwab, whether Schwab had authorized Griffin’s outreach, and, in at least one instance, whether they were being targeted by a scam.

Acting as DFA’s agent, and for DFA’s financial benefit, Griffin used Schwab’s trade secrets and confidential information to unfairly compete with Schwab, to interfere with Schwab’s contractual and business relationships, and to engage in unlawful and unfair business practices, all while DFA denied responsibility and continued to profit from the transferred business. Schwab brings this action under the Defend Trade Secrets Act and related state-law claims to remedy DFA’s misuse of Schwab’s trade secrets and confidential information, protect Schwab’s client relationships and goodwill from further irreparable harm, and obtain damages, restitution, disgorgement, and injunctive and other equitable relief.

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**PARTIES**

1. Schwab is a registered securities broker/dealer that had an office located at 27580 Ynez Rd A, Temecula, California 92591 (the “Temecula Branch”).

2. DFA is a corporation organized and existing under the laws of the State of California, with its principal place of business located at 25109 Jefferson Ave., Suite 205, Murietta, CA 92562.

**JURISDICTION AND VENUE**

3. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because Schwab asserts federal claims against DFA under the Defend Trade Secrets Act (“DTSA”), 18 U.S.C. § 1836 et seq. The Court also has supplemental jurisdiction over Schwab’s remaining claims pursuant to 28 U.S.C. § 1367 because the claims form part of the same case or controversy as Schwab’s federal question claims under the DTSA.

4. Venue is proper in this judicial district under 28 U.S.C. § 1391(b)(2) because it is a district within which a substantial part of the events or omissions giving rise to Schwab’s claims occurred.

5. The Court has personal jurisdiction over DFA because it is a company organized under the laws of the state of California with its principal place of business in California.

**STATEMENT OF FACTS**

***Schwab’s Business as a Broker-Dealer***

6. Schwab is a securities broker-dealer that provides financial services to individuals and institutional clients through two segments—Investor Services and Advisor Services.

7. With respect to the Investor Services segment, Schwab provides retail brokerage, investment advisory, and other financial planning services to individual investors.

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1 8. With respect to the Advisor Services segment, Schwab provides  
2 custodial, trading, and support services to registered investment advisory firms  
3 (“RIAs”). Defendant DFA is an RIA.

4 **Griffin’s Role at Schwab**

5 9. Griffin is a former Schwab Financial Consultant who worked in  
6 Schwab’s Temecula Branch. As a Financial Consultant, Griffin’s job was to work  
7 with clients assigned to him by Schwab to help them set financial goals, conduct  
8 financial planning, determine their financial strategies, and select financial services  
9 and products at Schwab. Griffin also partnered with other Schwab employees to  
10 provide clients with a variety of other services ranging from estate planning, to fixed  
11 income planning, to education and retirement planning.

12 10. It bears emphasis that Griffin did not develop a “book” of business  
13 through cold calls, marketing efforts, or his own connections like brokers at other  
14 brokerage firms do. Instead, Griffin was assigned a practice of preexisting Schwab  
15 clients or qualified leads to service on behalf of Schwab. These clients have millions  
16 of dollars in assets in their accounts at Schwab. Each year, they generate hundreds  
17 of thousands of dollars in revenues and profits.

18 11. As noted above, Schwab is a broker/dealer that offers investment  
19 services and products and has approximately 35 million client brokerage accounts  
20 nationwide. Some of these clients are individual investors who have asset levels and  
21 needs extending beyond basic brokerage services. These are the types of clients that  
22 were assigned to Griffin for servicing.

23 12. To enable Griffin to service its clients, Schwab provided him with  
24 access to its extensive client records and information, including clients’ transactional  
25 histories, account types, account balances, asset allocations, income, liquid and total  
26 net worth, tax status, tax information, investment objectives, and other personal  
27 financial information. Schwab paid Griffin and provided him with an opportunity to  
28 develop, cultivate and maintain relationships with its clients.

1 13. There is no public source available from which Griffin, or any other  
2 individual or entity, such as DFA, could ascertain the identities and contact  
3 information of Schwab’s clients, much less the high-net-worth clients Griffin  
4 serviced. The identities of the clients assigned to Griffin at Schwab are not generally  
5 known to third parties such as RIA firms like DFA who compete with Schwab.

6 14. The identities, contact information and financial information of  
7 Schwab’s clients are very valuable to competitors because this information identifies  
8 clients who generate significant revenues and who have demonstrated a need, desire,  
9 and ability to pay for financial services. Schwab’s competitors, such as DFA, can  
10 unfairly benefit from this information because it enables them to target their financial  
11 products, services, and marketing efforts to a pre-selected elite group of clients  
12 without the need to spend the significant amount of time, money, and resources  
13 Schwab has spent to identify and develop such clients.

14 ***Griffin’s Agreement with Schwab***

15 15. As a condition of initial employment at Schwab, all employees who  
16 interact with clients are required to sign a confidentiality agreement. Like all such  
17 employees, Griffin executed a confidentiality agreement when he began employment  
18 with Schwab, and from time-to-time, he renewed his commitment by signing  
19 subsequent versions of those agreements.

20 16. A true and correct copy of the agreement most recently executed by  
21 Griffin (in 2016) (hereafter, the “Agreement”) as maintained by Schwab in its files,  
22 along with proof of execution, is attached as **Exhibit A** and incorporated herein by  
23 reference.

24 17. Griffin’s Agreement is supported by consideration and is fully  
25 enforceable. Griffin executed the Agreement in exchange for continued at-will  
26 employment with Schwab and the compensation and other benefits he received from  
27 Schwab, including the opportunity to participate in Schwab’s compensation plans,  
28 which provide the opportunity for additional compensation above and beyond base

1 pay. In consideration of the covenants signed by Griffin, Schwab agreed to, and did,  
2 employ and compensate him, provide him with employment related benefits, and  
3 provide him with other good and valuable consideration including assigning him to  
4 service specific retail client account relationships, providing him with Schwab sales  
5 support, operational systems, research and investment recommendations, clearing  
6 and financial services, Schwab goodwill and reputation, and opportunities to develop  
7 relationships with Schwab clients.

8 18. Griffin reaffirmed his commitment to comply with the Agreement when  
9 he signed his severance agreement in exchange for substantial consideration on  
10 December 12, 2023.

11 ***Griffin’s Commitment Not to Improperly Use or Disclose***

12 ***Schwab’s Trade Secret Client Information***

13 19. Schwab’s client list and related information is a trade secret.  
14 Specifically, the names of Schwab’s clients, their identities as clients of Schwab, their  
15 contact information, and financial information concerning their accounts are entitled  
16 to trade secret protection under the federal trade secret statute. *See* Defend Trade  
17 Secrets Act, 18 U.S.C. § 1836 *et seq.* (the “DTSA”).

18 20. The Agreement executed by Griffin mirrors, in part, his obligation under  
19 the DTSA. Specifically, Griffin promised not to use trade secrets, such as trade secret  
20 client information, to unfairly compete with Schwab, to identify Schwab’s existing  
21 clients, or to facilitate the solicitation of Schwab’s clients, whether for his own  
22 benefit, or for the benefit of a new employer. Agreement at ¶ 1. To ensure no  
23 ambiguity, the Agreement defines “Confidential Information” and “Trade Secrets”  
24 to include valuable information not generally known to third parties such as “the  
25 identities of clients as clients of Schwab; names, addresses, phone numbers, email  
26 addresses, account numbers or financial or personal information pertaining to  
27 Schwab clients.” *Id.* at ¶ 2.

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1           21. In addition, it bears emphasis that the names, addresses and contact  
2 information of Schwab clients are also protected from disclosure as personally  
3 identifiable information under the Gramm-Leach-Bliley Act and its implementing  
4 federal regulations, commonly referred to as Regulation S-P. *See* 17 C.F.R. Part 248.  
5 Even the fact that an individual is a client of a specific financial institution—here,  
6 Schwab—is protected from disclosure under Regulation S-P. 17 C.F.R. § 248.3.  
7 These federal regulations underscore the highly confidential nature of financial  
8 services client information. For these reasons, Griffin agreed to comply with  
9 Regulation S-P. Specifically, paragraph 7 of Griffin’s Agreement states as follows:

10           My obligation to protect non-public personal information (“NPI”) about  
11 Schwab customers is also governed by Regulation S-P. (See 17 C.F.R.  
12 §248.10(a)(1)). Regulation S-P prohibits Schwab from disclosing NPI about  
13 its customers to nonaffiliated third-parties. NPI includes, but is not limited to,  
14 Schwab customer names, addresses, telephone numbers, account information,  
15 and information that identifies an individual as a customer of Schwab. I  
16 understand that Schwab does not share customer NPI with nonaffiliated third-  
17 parties. Pursuant to Regulation S-P, I am also prohibited from sharing Schwab  
18 customer NPI with nonaffiliated third-parties, including a new employer  
19 (except as provided for in paragraph 10 of this Agreement). My non-disclosure  
20 obligations under Regulation S-P continue after my employment at Schwab  
21 ends.

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23           22. The books, files, and records of Schwab, the confidential information  
24 contained therein, and especially the data pertaining to Schwab clients, including  
25 clients’ names and addresses, the clients’ identities as clients of Schwab, as well as  
26 additional information such as clients’ social security numbers, account numbers,  
27 financial status, financial statements, investment objectives and preferences, assets  
28 and/or securities held by these clients, practice metrics, and other highly confidential

1 personal and financial information concerning Schwab’s clients, are trade secrets of  
2 Schwab subject to legal protection.

3 23. Griffin’s Agreement also contains his promise to return to Schwab all  
4 Schwab property and confidential information in his possession upon the end of his  
5 employment with Schwab. *Id.* at ¶ 6.

### 6 ***Griffin’s Duty of Loyalty and his Social Media Obligations***

7 24. Griffin’s Agreement also specifies that “at all times during [his]  
8 employment,” he owes Schwab “an unmitigated duty of loyalty” under which he  
9 “shall do nothing during [his] employment that [he] intend[s] or reasonably expect[s]  
10 to further [his] interests or the interests of [his] new employer to the actual or  
11 potential detriment of Schwab.” *Id.* at ¶ 5.

12 25. Given the high level of regulation in the securities industry, and  
13 Schwab’s need to supervise its registered representatives, Schwab’s policies and  
14 Griffin’s Agreement also contain restrictions on his use of social media to  
15 communicate with clients. Namely, paragraph six of his Agreement contains his  
16 promise to disconnect from any clients with whom he was connected on LinkedIn  
17 immediately upon his departure from Schwab.

### 18 ***Griffin’s Obligation Not to Communicate with Clients***

#### 19 ***Via a Non-Schwab-Issued Device***

20 26. Paragraph 15 of Griffin’s Agreement provides that during his  
21 employment with Schwab, he was not permitted for personal or professional reasons  
22 to “(a) communicate with any clients (excluding personal communications with  
23 members of [his] family) via [his] home telephone and/or any mobile/cellular  
24 telephone not provided by [Schwab], and/or (b) provide any clients (excluding  
25 members of [his] family) with [his] home telephone number or the number of any  
26 non-[Schwab]-issued mobile/cellular telephone for purposes of contacting [him].” *Id.*  
27 at ¶ 15. The Agreement explains the important basis underlying this requirement:  
28 “Schwab has an obligation to supervise communications between its associated

1 persons and clients to ensure that they comply with FINRA’s rules regarding client  
2 communications and to preserve the confidentiality of Confidential Information.” *Id.*

3 ***Griffin’s Departure From Schwab***

4 ***And His Subsequent Affiliation with DFA***

5 27. As part of a broader companywide reorganization, Schwab closed the  
6 Temecula Branch and Griffin’s employment with Schwab ended effective January 5,  
7 2024. Although Griffin was an at-will employee who could be terminated at any time,  
8 for any reason, or even no reason, Schwab notified Griffin of his impending  
9 separation on October 30, 2023. Schwab therefore provided Griffin with an  
10 approximately two-month notice period (the “Notice Period”). During his two-month  
11 Notice Period, Schwab continued to pay Griffin his regular base salary and continued  
12 to provide him with employment-related benefits. Schwab also offered Griffin, and  
13 Griffin accepted on December 12, 2023, a severance package that paid him a lump  
14 sum cash amount of approximately \$100,000.00.

15 28. On January 10, 2024, Griffin became a registered Investment Advisor  
16 Representative of DFA in Murrieta, California.

17 29. Becoming a registered Investment Adviser Representative of DFA  
18 meant that Griffin operated at all relevant times under DFA’s umbrella of regulatory  
19 structure, supervision, and oversight, and that DFA had the authority and obligation  
20 to direct, control, and monitor his client-facing activities. Being a registered  
21 Investment Adviser Representative is a regulatory prerequisite to providing  
22 personalized investment advice to clients, managing their accounts, and soliciting  
23 new advisory clients, and, upon information and belief, DFA hired and registered  
24 Griffin with the expectation that he would solicit, transfer, and service clients,  
25 specifically including former Schwab clients, on DFA’s behalf. To provide  
26 personalized investment advice to clients and to manage their accounts, a financial  
27 services professional (like Griffin) is required under state and federal law to become  
28 an Investment Advisor Representative of the RIA on whose behalf they are providing

1 such services. A financial services professional (like Griffin) also must be an  
2 Investment Adviser Representative of an RIA to solicit new clients for advisory  
3 services. Consequently, by allowing Griffin to become a registered Investment  
4 Adviser Representative of DFA, and by sponsoring his registration, DFA knowingly  
5 and intentionally appointed, authorized and expected Griffin to engage in the conduct  
6 described in this paragraph.

7 ***Griffin Breached his Agreement and Duty of Loyalty to Schwab***

8 ***On Behalf of DFA***

9 30. Acting in his capacity as DFA's registered Investment Adviser  
10 Representative, and with DFA's knowledge, supervision and for DFA's benefit,  
11 Griffin has engaged in misconduct and actively sought to divert—and has succeeded  
12 in diverting—clients and assets away from Schwab. Through his unlawful conduct  
13 undertaken on DFA's behalf, Griffin diverted more than \$85 million dollars in assets  
14 under management from Schwab to be serviced by him at DFA, generating advisory  
15 fees and other compensation for DFA.

16 31. On January 9, 2024, four days after Griffin's employment ended, and  
17 the day before he became DFA's registered Investment Adviser Representative,  
18 Schwab sent Griffin a letter that enclosed and discussed the requirements of his  
19 Agreement. A true and correct copy of this letter is attached as **Exhibit B** and  
20 incorporated herein by reference. The letter reminded Griffin about his legal  
21 obligations (including those concerning confidentiality and social media) and asked  
22 him to immediately return any documents and information concerning Schwab or its  
23 clients. *Id.* at p. 3. It further stated that if Griffin believed he was entitled to keep such  
24 documents and information, he should identify the materials he possessed so Schwab  
25 could assess his claim. *Id.* The letter further asked Griffin to provide a copy of the  
26 letter and Griffin's Agreement to his manager and the legal or compliance group at  
27 DFA so DFA could ensure his compliance with his obligations. *Id.* Upon information  
28 and belief, and as Schwab expects to establish upon further investigation and

1 discovery, Griffin provided the letter and Agreement to DFA, and DFA's  
2 management and/or compliance personnel reviewed them, and thus knew of his  
3 ongoing contractual and statutory obligations to Schwab. Neither Griffin nor DFA  
4 took any steps in response to this letter to curtail Griffin's solicitations of Schwab's  
5 trade secret customers or to ensure the return and non-use of Schwab's confidential  
6 and trade secret information.

7 32. Upon information and belief, and as Schwab expects to establish upon  
8 further investigation and discovery, when DFA recruited and hired Griffin, Griffin  
9 told DFA that he had been assigned a profitable practice of high-net-worth Schwab  
10 clients and that he intended to move a substantial portion of that business to DFA.

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12 33. Upon information and belief, and as Schwab expects to establish upon  
13 further investigation and discovery, DFA hired Griffin with the hope and expectation  
14 that he would divert business from Schwab to DFA.

15 34. DFA provided Griffin with the systems, e-mail addresses, phone  
16 numbers, forms, and marketing materials he used to contact Schwab clients, schedule  
17 meetings, collect their highly sensitive personal and financial information, and open  
18 new DFA advisory accounts, and DFA knowingly accepted and processed account  
19 transfer paperwork for Schwab clients solicited by Griffin.

20 35. Upon information and belief, and as Schwab expects to establish upon  
21 further investigation and discovery, DFA's compliance and supervisory personnel  
22 monitored or had the ability to monitor Griffin's client outreach and new account  
23 activity, saw that he was onboarding former Schwab clients in volume and using  
24 client information derived from Schwab, and nevertheless allowed his conduct to  
25 continue.

26 36. DFA directly benefited from Griffin's use of Schwab's trade secret and  
27 confidential information because the assets he diverted from Schwab generated  
28

1 advisory fees and other compensation for DFA and its affiliate and increased the  
2 value of DFA's practices.

3 37. By knowingly accepting the transferred Schwab client relationships and  
4 assets, failing to restrict or discipline Griffin after being placed on notice of his  
5 obligations to Schwab, and continuing to profit from the diverted business, DFA  
6 ratified and adopted Griffin's misconduct as its own.

7 38. On February 13, counsel for Schwab sent Griffin a follow-up letter. A  
8 true and correct copy of this letter is attached as **Exhibit C** and incorporated herein  
9 by reference. This letter likewise outlined Griffin's legal obligations. However, this  
10 letter also expressed Schwab's concern about recent reports that Griffin had violated  
11 his legal and contractual obligations. Specifically, Schwab noted that it had received  
12 several reports that Griffin had: (1) mailed solicitation letters to clients asking to set  
13 appointments with them; (2) proactively made solicitation calls to clients to set  
14 appointments with them; and (3) solicited Schwab's clients by comparing Schwab's  
15 offerings with those of his new employer, DFA, for the purpose of diverting business  
16 from Schwab. *Id.* at p. 3. Schwab explained why this behavior was unlawful and  
17 asked that Griffin provide several assurances to Schwab that such behavior would  
18 cease and that he would abide by his Agreement. Griffin did not respond to this letter.  
19 Upon information and belief, this letter was also provided to DFA, thereby further  
20 placing DFA on notice that any continued solicitation of Schwab clients by Griffin  
21 using Schwab's trade secret information would violate his contractual and statutory  
22 obligations.

23 39. On March 5, having received no response from Griffin, counsel for  
24 Schwab emailed Griffin, attached a copy of the February 13 letter, and requested that  
25 Griffin acknowledge receipt of the letter and respond. A true and correct copy of this  
26 email is attached as **Exhibit D** and incorporated herein by reference. Schwab offered  
27 Griffin a more than reasonable amount of time to respond and conveyed its hope that  
28 litigation could be avoided. Despite this additional outreach, neither Griffin nor DFA

1 provided any assurances, and DFA did not restrict, discipline, or terminate Griffin's  
2 solicitations of Schwab clients.

3 40. The failure of both Griffin and DFA to respond to Schwab's multiple  
4 written overtures served to confirm Schwab's conclusion that Griffin, with DFA's  
5 knowledge and acquiescence, was breaching his Agreement and other legal  
6 obligations by using Schwab's trade secret client list and client information to  
7 unfairly compete with Schwab, to identify Schwab's existing clients, and to facilitate  
8 the solicitation of Schwab's clients for his own benefit and for the benefit of DFA.  
9 *See Exhibit A.*

10 41. Schwab first learned of Griffin's misconduct during his Notice Period.  
11 For example, on December 28, 2023, while he was still employed at Schwab and  
12 being paid by Schwab, Griffin sent a text message to Andrea Ruiz, his branch  
13 manager using his personal (as opposed to Schwab-issued) cell phone. The text  
14 concerned client AR,<sup>1</sup> contained AR's full name and phone number, and implied that  
15 Griffin and had recently communicated with AR. The content of this text message  
16 shows:

- 17 a. Griffin had Schwab's confidential and trade secret client information on  
18 his personal cell phone; and
- 19 b. Client AR knew, and had been using, Griffin's personal cell phone  
20 number to communicate with Griffin, thus making evident that it was  
21 Griffin's practice to communicate with clients via a non-Schwab  
22 telephone during his employment.

23 42. Additionally, Schwab believes and therefore alleges that Griffin used  
24 LinkedIn during his Notice Period to communicate with clients. Schwab believes that  
25 Griffin posted his personal email address on LinkedIn so that clients could contact  
26 him directly and so that Griffin could circumvent his contractual, statutory, and  
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28 <sup>1</sup> To protect client privacy and confidentiality, client initials are used herein in place of full client names.

1 common law obligations to Schwab. Upon information and belief, Griffin did not  
2 disconnect from clients upon leaving Schwab as required by his Agreement. *See*  
3 Agreement at ¶ 6.

4 43. Griffin's misconduct continued after he left Schwab. Schwab received  
5 numerous reports from clients making clear that Griffin breached his Agreement,  
6 misappropriated and misused Schwab's trade secrets, and engaged in unfair  
7 competition. The following are merely some of the reports that Schwab has received:

- 8 a. Client ST informed Schwab that Griffin proactively called and emailed  
9 her. ST shared one email with Schwab where Griffin discussed being  
10 ready to transfer ST's business from Schwab to DFA. To facilitate the  
11 transfer, Griffin sent ST two documents—the first titled "Pre-  
12 Consultation Questionnaire" and the second titled "Preliminary Data  
13 Questionnaire." Both these documents, as well as the text in the body of  
14 Griffin's email, sought significant amounts of highly sensitive and  
15 personal information. The Pre-Consultation Questionnaire sought a  
16 holistic overview of ST's financial life, and asked about her goals,  
17 values, and objectives. The Preliminary Data Questionnaire sought  
18 much more specific and detailed information. It asked ST for her  
19 driver's license number, date of birth, social security number, home  
20 address, occupation, and age; it requested a detailed accounting of her  
21 assets and liabilities (including bank accounts, brokerage accounts,  
22 insurance coverages, and sources of income); and it wanted information  
23 about ST's family, including ST's spouse's and children's driver's  
24 license numbers, dates of birth, and social security numbers. ST found  
25 this outreach by Griffin to be concerning. She told Schwab it was  
26 unwelcome, unusual, and suspicious. ST worried that she might be the  
27 victim of some kind of scam. Griffin's communication to ST was  
28 especially concerning because Griffin said "Some of this information

- 1 we have, but some we don't. It is pivotal that we get this information as  
2 soon as possible!"
- 3 b. Client IH reported to Schwab that Griffin called and wanted to schedule  
4 a meeting with her. Further, IH told Schwab that Griffin confused her  
5 about his current employment status and affiliation with Schwab, as  
6 relating to his ability to service her accounts. Griffin told IH he could  
7 continue to service her account at Schwab even though he was now  
8 working at DFA.
- 9 c. Client AN told Schwab that Griffin sent AN an email asking if AN  
10 would join him at DFA.
- 11 d. Client JR reported that Griffin reached out and wanted to schedule a  
12 meeting.
- 13 e. Clients WG and KM both reported that Griffin called them and left  
14 voicemail messages.
- 15 f. Client GK told Schwab that Griffin had repeatedly contacted him.
- 16 g. Client LW reported that Griffin called her to solicit her to move her  
17 accounts to DFA. LW told Schwab that Griffin said that many of his  
18 Schwab clients are transferring to DFA, and that LW could keep her  
19 assets at Schwab while Griffin nonetheless serviced them from DFA.
- 20 h. Client BT reported that Griffin called her and confused her when he  
21 started talking about how he could move her assets over to DFA.
- 22 i. Client BH told Schwab that she transferred to DFA because Griffin  
23 reached out to her. However, BH was also confused, and was not clear  
24 on if or how DFA was still affiliated with Schwab.
- 25 j. Client SL reported that Griffin reached out and scheduled a meeting  
26 with him. When SL and Griffin met, SL says that Griffin told him  
27 (falsely) that Schwab approved Griffin's outreach and approved of  
28 Griffin continuing to work with Schwab clients despite him now being

1 employed at DFA. SL reported that Griffin told him to unenroll his  
2 accounts at Schwab and start working with him at DFA. Griffin told SL  
3 it was in his best interest to leave Schwab because the fees at Schwab  
4 were higher than at DFA.

5 44. Griffin would not have known to direct his solicitations at these clients  
6 but for his employment at Schwab where he was entrusted with confidential  
7 information, including clients' names, contact information and financial needs.  
8 Griffin was entrusted with this confidential information conditioned on compliance  
9 with his Agreement.

10 45. All of Griffin's client solicitations and all of his uses of Schwab's  
11 confidential and trade secret client information were undertaken in his role as DFA's  
12 registered Investment Adviser Representative, using DFA's systems and for DFA's  
13 financial benefit, and therefore his actions were taken on behalf of DFA; accordingly,  
14 DFA is vicariously liable for his misconduct and directly liable for knowingly  
15 directing, encouraging, and ratifying that misconduct.

16 ***Schwab Takes Many Steps to Preserve the Confidentiality of its Client***  
17 ***Information***

18 46. The confidential and trade secret information entrusted to Griffin is  
19 extremely valuable for many reasons, including because it can be used by a  
20 competitor to divert profitable business from Schwab.

21 47. Schwab takes many steps to protect the secrecy of its client information.  
22 For example, Schwab trains its registered representatives on their obligations to  
23 protect client information and, in addition to employing managers to monitor  
24 communications, Schwab utilizes a centralized management operation with  
25 managers responsible for monitoring outgoing correspondence to protect against the  
26 wrongful dissemination of proprietary and confidential information.

27 48. In addition, Schwab's computer network and email systems are  
28 designed to flag outgoing emails that contain client information, and the use of fax

1 machines is restricted and monitored to prevent client information from being  
2 transmitted by fax. Further, passwords or other user authentication methods are  
3 required to access client records and information on the Schwab computer system.  
4 Schwab also blocks employees from using removable storage devices (such as thumb  
5 drives,) web-based file sharing services (such as DropBox,) and web-based personal  
6 email (such as Gmail and Yahoo Mail) on work desktop and laptop computers.

7 49. Schwab has also adopted a Code of Business Conduct and Ethics (the  
8 “Code”). The Code includes a specific section concerning the confidentiality of  
9 client information, which in pertinent part provides that information concerning the  
10 identity of clients and their transactions and accounts is confidential. It notes that  
11 such information may be disclosed only under limited circumstances. The Code  
12 prohibits Schwab employees from disclosing client information to anyone or any firm  
13 outside of Schwab, with few exceptions that do not apply here. The Code also states  
14 that Schwab employees have the responsibility to safeguard proprietary information  
15 and comply with Schwab’s confidentiality agreements, (*i.e.*, Griffin’s Agreement)  
16 the terms of which are a condition of employment. Schwab further requires its  
17 employees to use passwords or other user authentication methods when accessing its  
18 computer systems and records and restricts such access to its business premises and  
19 tightly controlled remote computing channels.

20 50. Finally, Schwab requires its employees to abide by policies concerning  
21 use of confidential information. This requirement was made known to Griffin when  
22 he applied for a job with Schwab. Specifically, Griffin executed an acknowledgement  
23 in connection with his employment application confirming his obligation to abide by  
24 Schwab’s written rules and policies.

25 51. As outlined above, Griffin breached his Agreement by using Schwab’s  
26 trade secret client list and client information to unfairly compete with Schwab, to  
27 identify Schwab’s existing clients, and/or to facilitate the solicitation of Schwab’s  
28 clients for his own benefit and for the benefit of his new employer, DFA. He engaged

1 in an actionable misappropriation of Schwab's trade secrets. All of Griffin's  
2 misconduct was undertaken in his capacity as DFA's registered Investment Adviser  
3 Representative, at its behest, on its behalf, and DFA has profited from and is liable  
4 for his misconduct.

5 **COUNT I**

6 **MISAPPROPRIATION OF TRADE SECRETS**

7 **DEFEND TRADE SECRETS ACT (18 U.S.C. § 1836 et seq.)**

8 52. The allegations of Paragraphs 1 through 51 are incorporated herein by  
9 reference with the same force and effect as if set forth in full below.

10 53. Data pertaining to Schwab's clients, including clients' names and  
11 addresses, as well as additional information such as clients' financial status, financial  
12 statements, investment objectives and preferences, and other highly confidential  
13 personal and financial information concerning Schwab's clients and the practice  
14 assigned to Griffin, are trade secrets of Schwab subject to protection under the DTSA,  
15 18 U.S.C. § 1836 *et seq.* Schwab uses its trade secrets in interstate commerce as its  
16 clients are serviced by individuals across state lines and its products and services are  
17 provided and sold across state lines.

18 54. This information is valuable because it is not generally known or readily  
19 accessible, through proper means, to others who can profit from its use. The identities  
20 of Schwab's clients *as clients of Schwab*, are not readily available to the public or to  
21 competitors. The strength, nature, and composition of the practices assigned to  
22 Schwab's employees are not readily available to the public or Schwab's competitors,  
23 including DFA. Schwab has spent significant and incalculable sums, in terms of both  
24 financial and human resources, to develop and maintain this information, which is of  
25 great value to any competitor.

26 55. Schwab has taken more than adequate measures under the  
27 circumstances to maintain the secrecy of this information, as described herein.

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1           56. The conduct described above constitutes an actual misappropriation of  
2 Schwab's trade secrets.

3           57. DFA has acquired, through Griffin's disclosure and use on its behalf,  
4 and has itself used, Schwab's trade secret customer information without Schwab's  
5 consent, including by accepting and processing account transfers and advisory  
6 agreements for Schwab clients identified and solicited with that information. Griffin  
7 engaged in this conduct on DFA's behalf despite acquiring this information under  
8 circumstances giving rise to a duty to maintain the information's secrecy and limit  
9 its use, a duty he owed and continues to owe Schwab as a former employee and  
10 registered representative of Schwab.

11           58. Schwab has confronted DFA about this misconduct, but DFA has denied  
12 responsibility without explanation and has failed to take corrective action, even as it  
13 continues to retain and profit from the diverted client relationships and assets. DFA's  
14 conduct was willful and malicious, and DFA received great financial benefit as a  
15 result of its misconduct.

16           59. DFA misappropriated Schwab's trade secrets through its agent, Griffin.  
17 DFA, including its management and compliance personnel, was on notice that  
18 Griffin's conduct constituted a breach of his Agreement and a disclosure and  
19 misappropriation of trade secrets under applicable law, yet failed and refused to  
20 curtail the unlawful activities of Griffin, who acted on its behalf. In fact, DFA has  
21 adopted and ratified Griffin's conduct by denying that his actions were improper, and  
22 profiting and continuing to profit from the wrongfully diverted client relationships  
23 and assets.

24           60. Schwab has sustained injuries and damages as a proximate result of the  
25 conduct of DFA.

26           61. Because of the foregoing, Schwab has suffered and will continue to  
27 suffer irreparable harm for which it lacks an adequate remedy at law, as well as  
28

1 present economic loss and other incalculable financial loss. Schwab has been  
2 damaged by this conduct in an amount to be determined at trial.

3 **COUNT II**  
4 **TORTIOUS INTERFERENCE WITH CONTRACT**  
5 **(For Interfering with Griffin's Agreement)**

6 62. The allegations of Paragraph 1 through 61 are incorporated herein by  
7 reference with the same force and effect as if set forth in full below.

8 63. The Agreement executed by Griffin in 2016 is a valid and enforceable  
9 contract.

10 64. DFA at all relevant times was aware of the existence of the Agreement  
11 and its terms or should have known about the Agreement and its terms, as part of  
12 standard pre-hire due diligence in the industry.

13 65. Despite its knowledge of Griffin's Agreement and control over his  
14 actions as its registered Investment Adviser Representative, DFA failed to curtail  
15 Griffin's breaches. In fact, DFA ratified Griffin's breaches by stating that his actions  
16 were not improper and by continuing to support and profit from his improper  
17 solicitation of Schwab clients.

18 66. Because DFA was on notice of Griffin's Agreement and his obligations  
19 thereunder, and because it has embraced Griffin's breaches being undertaken on  
20 behalf of and for its benefit, and because DA provided its resources to enable Griffin  
21 to engage in misconduct on its behalf, DFA tortiously interfered with Griffin's  
22 Agreement.

23 67. DFA willfully, intentionally, and/or recklessly interfered with Griffin's  
24 performance and compliance with his Agreement, by, among other things, employing  
25 Griffin (or otherwise designating him as its agent) in a manner in which he was  
26 required and/or expected to breach the terms of his Agreement, and by allowing,  
27 aiding, encouraging, and causing him to breach his Agreement.

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1 68. As Schwab expects to establish upon further investigation and  
2 discovery, DFA also provided Griffin with financial incentives and inducements  
3 intended to motivate him to breach his Agreement.

4 69. DFA's conduct was improper and without privilege or justification.

5 70. Schwab has sustained injuries and damages as a proximate result of  
6 DFA's conduct.

7 71. Because of the foregoing, Schwab has suffered and will continue to  
8 suffer irreparable harm for which it lacks an adequate remedy at law, as well as  
9 present economic loss and other incalculable financial loss. Schwab has been  
10 damaged by DFA's conduct in an amount to be determined at trial.

11 **COUNT III**

12 **TORTIOUS INTERFERENCE WITH**

13 **CONTRACTUAL AND BUSINESS RELATIONSHIPS**

14 72. The allegations of Paragraphs 1 through 71 are incorporated herein by  
15 reference with the same force and effect as if set forth in full below.

16 73. Schwab had a reasonable expectation of continuing its contractual and  
17 business relationships with clients.

18 74. DFA at all relevant times was aware of the existence of Schwab's  
19 existing and prospective continuing contractual and business relationships with its  
20 clients. In fact, these relationships are the very reason DFA continued in its efforts to  
21 divert business from Schwab to itself by and through its registered agent, Griffin.

22 75. By and through its actions described herein, DFA tortiously interfered  
23 with Schwab's contractual and business relationships with its clients.

24 76. In addition, and in the alternative to the trade secret claim stated above,  
25 to the extent any of the Confidential Information described above does not qualify  
26 for trade secret protection, DFA has tortiously interfered with Schwab's contractual  
27 and business relationships with its clients by and through the wrongful use and  
28 disclosure of Schwab's Confidential Information.

1 77. DFA’s conduct was improper and without privilege or justification.

2 78. Schwab has sustained injuries and damages as a proximate result of  
3 DFA’s conduct.

4 79. Because of the foregoing, Schwab has suffered and will continue to  
5 suffer irreparable harm for which it lacks an adequate remedy at law, as well as  
6 present economic loss and other incalculable financial loss. Schwab has been  
7 damaged by this conduct in an amount to be determined at trial.

8 **COUNT IV**

9 **STATUTORY AND COMMON LAW**

10 **UNFAIR BUSINESS PRACTICES**

11 80. The allegations of Paragraphs 1 through 79 are incorporated herein by  
12 reference with the same force and effect as if set forth in full below.

13 81. DFA’s wrongful conduct alleged herein constitutes unlawful, unfair,  
14 and fraudulent business acts and practices under Business and Professions Code §§  
15 17200 et seq., California Financial Information Privacy Act (California Financial  
16 Code § 4050 et seq. including §§ 4052, 4052.5, 4053 and 4057), and Regulation S-  
17 P (including 17 C.F.R. §§ 248.3, 248.10) and common law, which unlawful, unfair  
18 and fraudulent business acts and practices have harmed Schwab and deprived it of  
19 significant business opportunities.

20 82. Schwab has sustained injuries and damages as a proximate result of  
21 DFA’s conduct.

22 83. As a result of DFA’s unfair competition, DFA has been unjustly  
23 enriched and has unlawfully and wrongfully derived and continues to derive profits  
24 and property from its acts of unfair competition. Schwab is entitled to, and the Court  
25 should issue, an order of restitution and the accounting for and the disgorgement of  
26 all wrongfully obtained property and profits.

27 84. Because of the foregoing, Schwab has suffered and will continue to  
28 suffer irreparable harm for which it lacks an adequate remedy at law, as well as

1 present economic loss and other incalculable financial loss. Schwab has been  
2 damaged by this conduct in an amount to be determined at trial.

3 **COUNT V**  
4 **CIVIL CONSPIRACY**

5 85. The allegations of Paragraphs 1 through 84 are incorporated herein by  
6 reference with the same force and effect as if set forth in full below.

7 86. DFA and Griffin formed and operated a malicious combination with a  
8 common design to injure Schwab by (a) performing unlawful acts by violating  
9 Schwab's contractual, statutory, and common law rights as described above for the  
10 unlawful purpose of diverting business and economic gain from Schwab, and/or  
11 performing the lawful acts of competing with Schwab and hiring certain of Schwab's  
12 personnel, but doing so through the unlawful means of violating Schwab's  
13 contractual, statutory, and common law rights as described above.

14 87. The foregoing conduct of DFA was malicious, pre-planned, was  
15 performed with intent to injure Schwab, and was without justification or privilege.  
16 DFA's conduct was undertaken in furtherance of its own personal interests and for  
17 its benefit.

18 88. DFA and Griffin engaged in overt unlawful acts and conduct violative  
19 of Schwab's contractual, common law, and statutory rights as described above, and  
20 did so with the knowledge, aid, agreement, and support of one another, causing actual  
21 harm to Schwab.

22 89. By virtue of the formation and operation of this conspiracy by DFA and  
23 Griffin, and as a consequence of the above-described wrongful acts and conduct and  
24 the harm and injury caused to Schwab thereby, DFA as a participant in this  
25 conspiracy is liable as a joint tortfeasor for each of the above-described acts  
26 committed by each co-conspirator.

27 90. Because of the foregoing, Schwab has suffered and will continue to  
28 suffer irreparable harm for which it lacks an adequate remedy at law, as well as

1 present economic loss and other incalculable financial loss. Schwab has been  
2 damaged by DFA's actions in an amount to be determined at trial.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, because of the foregoing acts and conduct complained of in  
5 Counts I through V, Schwab demands judgment in its favor against the DFA, together  
6 with the following relief:

- 7 A. An award of damages for such actual losses as may be proven at trial;  
8 and/or
- 9 B. an award of damages for unjust enrichment caused by the DFA's  
10 unauthorized use or disclosure of Confidential Information and trade  
11 secrets belonging to Schwab which are not otherwise addressed in  
12 computing actual losses; and/or
- 13 C. in lieu of damages measured by other methods, an award of reasonable  
14 royalties for the DFA's unauthorized misappropriation of Schwab's  
15 Confidential Information and trade secrets and other intellectual  
16 property; and/or
- 17 D. an award of punitive and/or exemplary damages as permitted by law in  
18 an amount to be proved at trial;
- 19 E. an award of attorneys' fees, costs, and interest as permitted by law;  
20 and/or
- 21 F. an award for prejudgment interest; and/or
- 22 G. an injunction precluding the DFA from continuing to engage in its  
23 unlawful conduct and compelling it to purge from its possession,  
24 custody and control, and to provide to Schwab all Schwab property;  
25 and/or
- 26 H. such other and further relief as this Court deems just and equitable
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Dated: December 10, 2025

FISHER & PHILLIPS LLP

By:   
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MARISSA M. FRANCO  
Attorney for Plaintiff  
CHARLES SCHWAB & CO., INC.

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### CERTIFICATE OF SERVICE

I, the undersigned, declare that I am over the age of 18 years, employed in the County of Orange, State of California, and not a party to the within action. I am employed with the law offices of Fisher & Phillips LLP and its business address is 2050 Main Street, Suite 1000, Irvine, California 92614.

On the date below, I served the following document entitled **COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF** on all the appearing and/or interested parties in this action as follows:

Matthew Henneman  
mhenneman@hkrlaw.com  
HENNEMAN RAU & KIRKLIN  
LLP  
815 Walker Street, Suite 1440  
Houston, Texas 77002  
Telephone: (713) 955-6110  
Facsimile: (713) 995-6141

Attorney for Plaintiff  
CHARLES SCHWAB & CO., INC.

- [by MAIL] – I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice the enclosed document(s) will be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Irvine, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postage cancellation date or postage meter date is more than one day after date of deposit for mailing this affidavit.
- [by ELECTRONIC SUBMISSION] - I served the above listed document(s) described via the United States District Court’s Electronic Filing Program on the designated recipients via electronic transmission through the CM/ECF system on the Court’s website. The Court’s CM/ECF system will generate a Notice of Electronic Filing (NEF) to the filing party, the assigned judge, and any registered users in the case. The NEF will constitute service of the document(s). Registration as a CM/ECF user constitutes consent to electronic service through the court’s transmission facilities.
- [by PERSONAL SERVICE] – I caused the enclosed document(s) to be delivered by messenger by hand to the office(s) of the person(s) whose addressee(s) are listed above. The messenger, employed by First Legal Network, LLC at XXX, is over the age of 18 years and not a party to this action.
- [by ELECTRONIC SERVICE] - Pursuant to an agreement of the parties to accept service by electronic transmission, I electronically served the document(s) to the person(s) at the electronic service address(es) listed above.

I declare that I am employed in the office of a member of the State of California at whose direction the service was made.

Executed on December 10, 2025, at Irvine, California.

*Jessica Zepeda*  
\_\_\_\_\_  
Jessica Zepeda