

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Name of Claimants

Mahmood Choudhury  
Meghna Investments, L.P.  
Cabochon Properties, L.P.

Case No. 00-04155

Name of Respondent

Charles Schwab & Company, Inc.

Hearing Site: Philadelphia, Pennsylvania

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**REPRESENTATION OF PARTIES**

Claimants, Mahmood Choudhury, Meghna Investments, L.P., and Cabochon Properties, L.P., hereinafter collectively referred to as "Claimants": Erwin Cohn, Esq., Cohn & Cohn, Chicago, Illinois.

Respondent, Charles Schwab & Company, Inc., hereinafter referred to as "Respondent": Robert K. Crowe, Esq., Charles Schwab & Company, Inc., San Francisco, California.

**CASE INFORMATION**

Statement of Claim filed on: September 14, 2000

Claimant Mahmood Choudhury signed the Uniform Submission Agreement on behalf of himself as an individual and also as a representative of Meghna Investments, L.P. and Cabochon Properties, L.P.: September 14, 2000

Statement of Answer and Counterclaim filed by Respondent on: December 22, 2000

Respondent's representative signed the Uniform Submission Agreement: December 22, 2000

Claimants' Answer to Counterclaim filed on: January 5, 2001

**CASE SUMMARY**

Claimants asserted the following causes of action, among others: breach of contract; negligence; common law fraud; violation of Section 10(b) of the Securities Exchange Act and Rule 10(b)(5) thereunder; violation of Section 20(b) of the Securities Exchange Act; breach

of fiduciary duty; respondeat superior violation; violation of NASD Rules of Fair Practice; consumer fraud; deceptive business practices; violation of the Consumer Fraud and Deceptive Business Practices Act of Pennsylvania; unauthorized trading; and, failure to execute trades. The causes of action relate to the purchase and sale of Rambus stock.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants' claim is frivolous and lacks merit; Respondent had contractual authority to liquidate accounts; Claimant fails to establish that any employee of Respondent acted improperly; Respondent liquidated Claimants' account with Claimants' consent and pursuant to account agreement; and, Respondent engaged in no "unauthorized trading."

Respondent asserted the following causes of action, among others, in its Counterclaim: breach of contract; and, debit balance.

Unless specifically admitted in its Answer to the Counterclaim, Claimants denied the allegations made in the Counterclaim and asserted the following defenses, among others: Claimant denies responsibility for any losses rising from any action that Respondent has to take to liquidate or close transaction; Claimant denies that any monies are owed to Respondent; and, Claimant denies the alleged breach of contract or obligation.

#### **RELIEF REQUESTED**

Claimants requested relief in the amount \$1,000,000. Such requested relief is inclusive of compensatory damages, interest, costs, filing fees, attorneys' fees, and punitive damages.

Respondent requested:

Compensatory Damages	\$138,597.71
Interest	unspecified amount
Attorneys' Fees	unspecified amount
Other Costs	unspecified amount

#### **OTHER ISSUES CONSIDERED AND DECIDED**

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. That Claimants' claim for compensatory damages is denied in its entirety;
2. That Claimants' claim for punitive damages is denied in its entirety;
3. That Claimants are jointly and severally liable to and shall pay to Respondent the sum of \$138,597.71 in compensatory damages;
4. That the parties shall bear their respective costs, except as to Fees specifically addressed below; and
5. That any and all claims not specifically addressed herein are denied in their entirety.

#### **FEES**

Pursuant to the Code, the following fees are assessed:

##### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$375
Counter claim filing fee	= \$1,000

##### **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(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000
Pre-hearing process fee	= \$600
Hearing process fee	= \$3,500

##### **Adjournment Fees**

Adjournment requested during these proceedings:

October 15 and 16, 2002 Hearing Dates, adjournment by Respondent	= \$1,200
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##### **Forum Fees and Assessments**

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing 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 Panel x \$1,200 = \$1,200  
 Pre-hearing conference: June 1, 2001 1 session

Three (3) Hearing sessions x \$1,200 = \$3,600  
 Hearing Date: February 21, 2002 3 sessions

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Total Forum Fees = \$4,800

The Panel has assessed \$4,800 of the forum fees to Respondents Charles Schwab & Company, Inc.

### Fee Summary

Claimants, Mahmood Choudhury, Meghna Investments, L.P., Cabochon Properties, L.P., are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee = \$ 375

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Total Fees = \$ 375

Less payments = \$ 1,575

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Refund from NASD Dispute Resolution, Inc. = \$ 1,200

Respondent is assessed and shall pay the following fees:

Filing Fee = \$ 1,000

Member Fees = \$ 6,100

Adjournment Fee = \$ 1,200

Forum Fees = \$ 4,800

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Total Fees = \$13,100

Less payments = \$ 7,300

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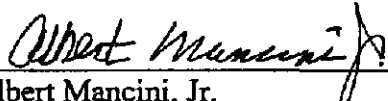
Balance Due NASD Dispute Resolution, Inc. = \$ 5,800

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Albert Mancini, Jr.	-	Public Arbitrator, Presiding Chairman
Blaine S. Greenfield	-	Public Arbitrator, Panelist
David S. Molotsky	-	Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

  
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Albert Mancini, Jr.  
Public Arbitrator, Presiding Chairman

28 MARCH 2002  
\_\_\_\_\_  
Signature Date

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Blaine S. Greenfield  
Public Arbitrator, Panelist

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Signature Date

\_\_\_\_\_  
David S. Molotsky  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

4/4/02  
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Date of Service (For NASD-Dispute Resolution office use only)

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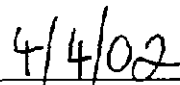
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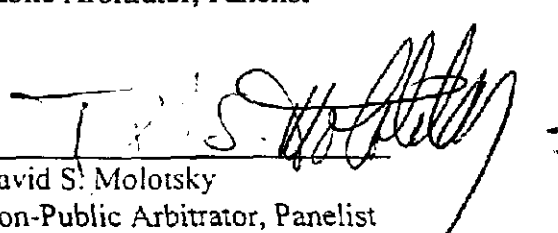
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