

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION, INC.

CASE:00-04974

George H. Bane, claimant vs. Ameritrade, Incorporated, respondent.

ATTORNEYS:

Claimant appeared Pro Se, Delray Beach, FL.

Respondent appeared through in-house counsel, Andrew Harger, Esq., Bellevue, NE.

DATE FILED: November 9, 2000.

CASE SUMMARY: Claimant alleged that respondents failed to provide prompt notification of margin interest on stocks assigned to him.

ARBITRATOR'S REPORT: This claim appears to boil down to a dispute over whether the Claimant should have received notification from the respondent on the same day (August 29, 2000) that he was assigned 3,400 shares of Copper Mountain Networks stock pursuant to the exercise of put options by the purchaser of the puts. Instead, the claimant was notified the following day (August 30, 2000), and the settlement for the assignment occurred three days later (September 1, 2000). On the day he was notified of the exercise of the put options (August 30, 2000), the claimant sold long an equal number of shares of Copper Mountain Networks stock to cover his position. The settlement date for the latter transaction was September 5, 2000 (three business days later plus the intervening three day holiday weekend). As a result, the Claimant paid margin account interest (8.25%) on the purchase price of the 3,400 shares of Copper Mountain Networks stock from September 1, to September 5, 2000. He asserts that he could have avoided those interest charges, if he had been notified of the exercise of the put options on September 1, since he sold long to cover his position within 10 minutes of receiving notice from the Respondent. The Claimant does not otherwise challenge the calculation of the interest charges or the speed with which the transactions were processed.

Although it is difficult to understand why a broker-dealer in a "wired" exchange like NASD should routinely experience a one-day delay in learning of the exercise of put options (and hence in notifying its customer of same), I can find nothing in the customer-broker agreement (to the extent I could read the microscopic print of same), the NASD rules, or securities laws which makes such a practice unlawful or improper. Therefore, although such a practice might work some unfairness to a customer like the claimant, I can find no basis for a finding of wrongdoing by Ameritrade or for ordering a refund of the interest charges assessed against his margin account.

Claim Data

Claim: \$1,424.52
Interest: from August 30, 2000
Filing Fees: \$75.00

Award Data

Award: \$.00
Interest: \$.00
Filing Fees: \$37.50

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of claimant are dismissed in their entirety. 2) All requests for interest are denied. 3) All other relief requests are denied. 4) The \$75.00 filing fee previously deposited with NASD Dispute Resolution, Inc. by the claimant, shall be retained by NASD Dispute Resolution, Inc. 5) Respondents shall pay claimant \$37.50 as reimbursement for one half of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, respondent has paid to NASD Dispute Resolution, Inc. the \$150.00 Member Surcharge previously invoiced.

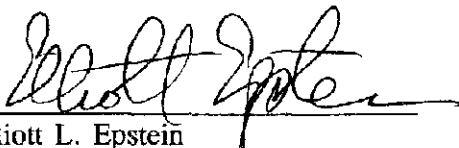
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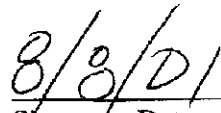
Elliott L. Epstein

Sole Public Arbitrator

AFFIRMATION

I, Elliott L. Epstein, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.


Elliott L. Epstein


Signature Date

October 23, 2001
Date of Service (For NASD Office Use Only)