

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION, INC.

CASE: 01-02678

Randall Reemes, Claimant vs. Charles Schwab & Co., Inc., Respondent.

ATTORNEYS:

Claimant appeared pro se., Monticello, AR.

Respondent appeared through its in-house counsel, Richard A. Karoly, Esq., San Francisco, CA.

DATE FILED: May 22, 2001

CASE SUMMARY: Claimant alleged Respondent made unsuitable and unauthorized trades in his account, which resulted in his loss.

Claim Data

Claim: \$4,130.00
Filing Fees: unspecified
Other: unspecified

Award Data

Award: \$4,130.00
Filing Fees: \$175.00
Other: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondent is liable and shall pay to the Claimant \$4,130.00. 2) All other relief requests are denied. 3) The \$175.00 filing fee previously deposited with NASD Dispute Resolution, Inc. by the Claimant, shall be retained by NASD Dispute Resolution, Inc. 4) Respondent is liable and shall pay Claimant \$175.00 as reimbursement of the filing fee.

ARBITRATOR'S REPORT: Claimant placed an order to "sell to close" and then changed his order. Claimant was told by Respondent employee (Mr. Berkell) that it appeared from "electronic fingerprints" that there were computer problems. Claimant demonstrated by example that his account was not approved for "short option trading" and that the account would not ordinarily allowed him to sell options where he did not own underlying securities. Respondent's Account Agreement Paragraph 8.-"Short Sales" requires that the customer must designate a sell order as a "short sale" at the time of placing the order if he does not own security being sold. Respondent did not address the issue of any computer problems on that particular day or the demonstrated transactions. Regardless of Claimant's assumption of risk in electronic trading, Claimant is not responsible for operating malfunctions of Respondent's system.

OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Dispute Resolution, Inc. the \$200.00 Member Surcharge previously invoiced.

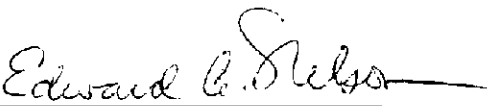
Page Two
Award 01-02678

Edward A. Nelson, J.D

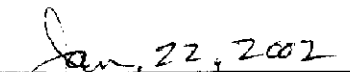
Sole Public Arbitrator

AFFIRMATION

I, Edward A. Nelson, J.D, 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.



Edward A. Nelson, J.D



Signature Date

January 31, 2002

Date of Service (For NASD-DR office use only)