

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**

CASES: 03-00589 and 03-02759

Charles Schott and Teresia Rix, Claimants v. OptionsXpress, Inc., Respondent.

Charles Schott and Teresia Rix, Claimants v. OptionsXpress, Inc. and Thomas E. Stern, Respondents.

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**ATTORNEYS:**

Claimants are collectively, "Claimants"

Respondents are collectively, "Respondents"

Case 03-00589

Claimants, Charles Schott and Teresia Rix, appeared pro se, San Bernardino, CA.

For Respondent, OptionsXpress, Inc., appeared Jennifer Zordani, Esq., of the firm Ungaretti & Harris, Chicago, IL.

Case 03-02759

Claimants, Charles Schott and Teresia Rix, appeared pro se, San Bernardino, CA.

For Respondents, OptionsXpress, Inc. and Thomas E. Stern, appeared Edward G. Renner, Esq., of the firm Ungaretti & Harris, Chicago, IL.

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**NATURE OF DISPUTE:**

Case 03-00589: Customers v. Member

Case 03-02759: Customers v. Member and Associated Person

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**DATE FILED:**

Case 03-00589: January 27, 2003

Case 03-02759: April 14, 2003

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**CASE SUMMARY:**

Case 03-00589: Claimants alleged that Respondent was negligent in failing to properly execute an order to sell long OEX December \$475 calls (OXBLO) and simultaneously buy an equal number of OEX December \$455 puts (OXBKK) for a net zero cost, and that Respondent breached its fiduciary duty. Claimants maintained that due to Respondent's actions, their account suffered financial losses.

Case 03-02759: Claimants alleged that Respondents were negligent in failing to properly execute an order to sell long OEX December \$475 calls (OXBLO) and simultaneously buy an equal number of OEX December \$455 puts (OXBKK) for a net zero cost, and that Respondents breached their fiduciary duty. Claimants maintained that due to Respondents' actions, their account suffered financial losses.

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**ARBITRATOR'S REPORT:** Claimants failed to state a claim for which relief can be granted.

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**Page Two****Award 03-00589 and 03-02759 (Consolidated)**

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**Claim Data**

Case 03-00589

Claim: \$2,950.00

Punitive: \$1,000.00

Filing Fees: Unspecified

Other: Unspecified

Case 03-02759

Claim: \$3,600.00

Filing Fees: \$.00

Other: Unspecified

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**Award Data**

Award: \$.00

Punitive: \$.00

Filing Fees: \$.00

Other: \$.00

Award: \$.00

Filing Fees: \$.00

Other: \$.00

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**AWARD:**

Cases 03-00589 and 03-02759:

The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of the Claimant are dismissed in their entirety. 2) All requests for punitive damages are denied. 3) All other relief requests are denied. 4) NASD Dispute Resolution shall retain the \$175.00 filing fee that the Claimant deposited previously for Case 03-00589. 4) NASD Dispute Resolution shall retain the \$175.00 filing fee that the Claimant deposited previously for 03-02759.

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**OTHER FEES:**

Case 03-00589:

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

Case 03-02759:

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

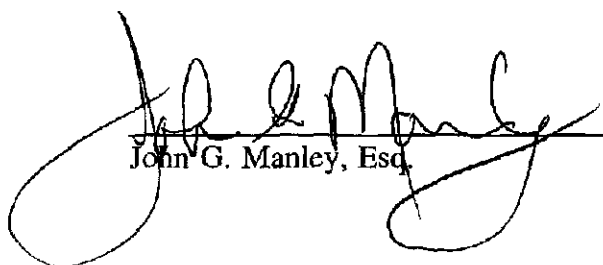
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John G. Manley, Esq.

Sole Public Arbitrator

**AFFIRMATION**

I, John G. Manley, Esq., 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.

  
John G. Manley, Esq.

2/24/04  
Signature Date

March 12, 2004  
Date of Service (For NASD-DR office use only)