

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Fernand W. and Dorothy F. Vanier, Trustees of The Vanier Trust U/A DTD 11/17/98, Claimant
v. Charles Schwab & Co., Inc., Respondent

Case Number: 04-05093

Hearing Site: Los Angeles, California

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Fernand W. Vanier
Co-Trustee of the The Vanier
Trust U/A DTD 11/17/98
Westlake Village, California

For Respondent:

Steve Murphy, Esq.
Charles Schwab & Co., Inc.
San Francisco, California

CASE INFORMATION

Statement of Claim filed: July 12, 2004

Claimant's Uniform Submission Agreement signed: August 23, 2004

Statement of Answer filed by Respondent: October 26, 2004

Respondent's Uniform Submission Agreement signed: October 25, 2004

CASE SUMMARY

Claimant alleged breach of fiduciary duty, unsuitability, and churning. Claimant's allegations relate to the purchase and sale of municipal bonds.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$280,000.00 in compensatory damages, unspecified punitive damages, and costs.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On December 1, 2004, Fernand W. and Dorothy F. Vanier, trustees of the Vanier Trust U/A DTD 11/17/98 signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

FINDINGS AND CONCLUSION

After both sides rested, and in an effort to allow Mr. Vanier every opportunity to present Claimant's case, the Panel allowed Claimant to submit additional documentary evidence that Mr. Vanier perceived would be pertinent to Claimant's case. Respondent's counsel accepted the decision of the Panel without objection.

The Panel finds that Claimant failed to prove its claims. During the hearing Mr. Vanier offered no evidence other than his oral testimony regarding his own beliefs. Mr. Vanier had thirty years of experience dealing with municipal bonds. All evidence submitted points to the fact that Claimant's account showed a profit, not a loss.

AWARD

After considering the pleadings, testimony, evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted, including Claimant's request for punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Charles Schwab & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 700.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

The following adjournment fees are assessed:

July 6-7, 2005 adjournment requested by Respondent
Charles Schwab & Co., Inc. = \$1,125.00

The Panel assessed the adjournment fee in its entirety to Respondent.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: February 4, 2005 1 session	
Two (2) Hearing sessions @ \$1,125.00/session	= \$2,250.00
<u>Hearings: August 11, 2005 2 sessions</u>	<u>= \$3,375.00</u>
Total Forum Fees	= \$3,375.00

1. The Panel assessed \$1,687.50 of the forum fees to Claimant The Vanier Trust U/A DTD 11/17/98.
2. The Panel assessed \$1,687.50 of the forum fees to Respondent Charles Schwab & Co., Inc.

Fee Summary

1. Claimant The Vanier Trust U/A DTD 11/17/98 is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
<u>Less payments</u>	<u>= \$(3,975.00)</u>
Refund Due from NASD Dispute Resolution	= \$(1,987.50)

2. Respondent Charles Schwab & Co., Inc. is charged with the following fees and costs:

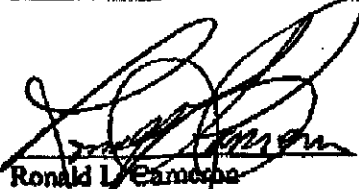
Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 8,012.50
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 2,812.50

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Ronald L. Cameron</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Thomas E. Shuck, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Donald G. Gloisten, Esq.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures



Ronald L. Cameron
Chair, Public Arbitrator

9/9/05
Signature Date

Thomas E. Shuck, Esq.
Public Arbitrator

Signature Date

Donald G. Gloisten, Esq.
Non-Public Arbitrator

Signature Date

September 9, 2005
Date of Service

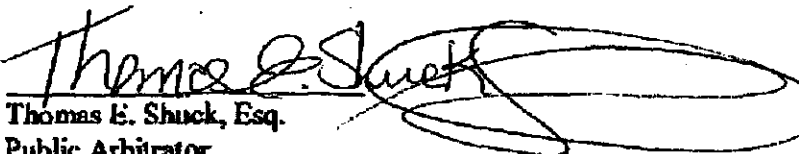
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