

NYSE ARCA
115 Sansome Street
San Francisco, CA 94104

In The Matter Of The Arbitration Between:

Herbert A. Thomas and
Marcia M. Thomas

Claimants

v.

Charles Schwab & Co., Inc.

Respondent

NYSE Arca CASE #: 06-S004

DECISION

The undersigned Arbitrator, having read and considered the Claim submitted by Claimants, the Answer of the Respondent, and the Rebuttal of the Claimants, hereby renders the following Decision pursuant to Rule 12 of Rules of NYSE Arca, Inc. (f/k/a Pacific Exchange, Inc.):

REPRESENTATION OF PARTIES

Of Claimants: Herbert and Marcia Thomas (*in pro per*)

Of Respondent: Katherine Nathan, Esq.
Charles Schwab & Co., Inc. (Office of Corporate Counsel)

HISTORY OF CASE

Claimants' Statement of Claim filed on or about:	February 24, 2006
Respondent's Statement of Answer filed on or about:	March 20, 2006
Claimants' Rebuttal filed on or about:	April 24, 2006

SUMMARY OF ISSUES PRESENTED

Claimants Herbert and Marcia Thomas ("Claimants") seek to hold Respondent Charles Schwab & Co., Inc. ("Schwab" or "Respondent") liable for the capital gains taxes of \$13,894.00 that Claimants incurred in the sale of their stock in 2005. Claimants base

Schwab's liability and their calculation of damages on the premise that had their stock not been sold by the account managers, Claimants never would have paid capital gains taxes on the profits that they earned on those stocks.

Pursuant to NYSE Arca Rule 12.2 (i/k) & Pacific Exchange Rule 12.2), Claimants requested that this matter be submitted to a single arbitrator and that the arbitrator decide the dispute solely upon the pleadings and evidence filed by the parties.

RELIEF REQUESTED

Claimants requested monetary damages in the amount of \$13,894.00. Claimants also reserved the right to claim out-of-pocket expenses, if any, incurred in preparing this claim, interest costs that might develop and any monetary penalty that might be assessed by the taxing authorities for underpayment of estimated taxes.

Respondent requested that the claim be dismissed and that all costs associated with the claim, including Schwab's defense costs, be assessed against Claimants.

DECISION

After considering the argument and evidence of both the Claimants and Respondent in this matter, the undersigned Arbitrator makes the final determination and decision of the issues presented, as set forth below:

1. Respondent Charles Schwab & Co., Inc. shall pay to Claimants Herbert and Marcia Thomas \$6,900.00.
2. All other claims and requests for relief are denied.
3. Forum fees in the amount of \$300.00 are assessed against Respondent Charles Schwab & Co., Inc.

Dated: May 10, 2008


Laurel Littman Gothelf, Chair