

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Anna D. Baumann,

Claimant

vs.

Charles Schwab & Co.,

Respondent

Case #88-02756

PRELIMINARY ORDER

CASE SUMMARY

Claimant alleged that Respondent failed to purchase 400 shares of Robotool Ltd. at \$6.00 per share pursuant to her order. Respondent maintains that the lobby representative at Charles Schwab & Co. who received Claimant's check was not authorized to accept a trade on behalf of a customer and Claimant's brother, who placed the order on behalf of the Claimant, did not have a power of attorney to do so. Respondent further maintains that Claimant should have been aware of the fact that she did not own the stock because she never received a confirmation in the mail nor was the stock listed on any of the account statements she received from Respondent.

RELIEF REQUESTED

Claimant did not specify damages in her statement of claim. Respondent requested dismissal of the claim.

PRELIMINARY ORDER

On May 17, 1989, the above-captioned controversy between the parties was scheduled to be heard by the undersigned arbitrator as set forth in submissions to arbitration signed by the Claimant on August 29, 1988 and by the Respondent on November 10, 1988.

At 9:15 a.m. on the morning of the scheduled hearing, the Claimant called requesting an adjournment because her brother, who was going to represent her, was hurt in a fire the night before the hearing and was rushed to the hospital. Both the undersigned arbitrator and the Respondent were on

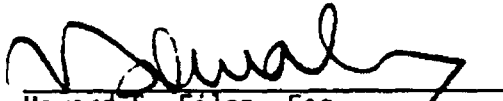
their way to the hearing at the time of Claimant's telephone call and therefore could not be reached to advise them of the Claimant's request for a postponement.

At 10:30 a.m. on May 17th a telephone conference call was conducted so that Claimant could make a formal request for a postponement on the record. Despite objections by Respondent, the undersigned arbitrator decided to grant Claimant's request with the condition that Claimant pay to the NASD within 30 days the sum of \$200.00, which represents the adjournment fee of \$100.00 and the second hearing session fee of \$100.00. The second hearing session was tentatively scheduled to be conducted on July 20, 1989 pending receipt of the \$200.00 from Claimant.

On July 14, 1989, the NASD staff administrator sent the Claimant a Western Union Mailgram advising the Claimant that if the \$200.00 payment was not received by July 17, 1989, the July 20th hearing would be cancelled.

On July 17, 1989, the Claimant called the NASD staff administrator to advise her that she had not paid the fee because her brother is still recuperating from his fire injury and is unable to represent her at the present time. The Claimant further indicated that she did not know when he would be able to represent her, if ever, and she did not know enough about the stock market to proceed without her brother. She did not want to pay any additional money to the NASD if she was not sure whether or not she would be able to proceed with her complaint.

Based upon the foregoing, it is hereby determined that the Claimant will be given an additional 30 days from receipt of this order to file with the NASD a check in the amount of \$200.00. Upon receipt of such payment, a new hearing date will be set. Should payment not be received within the time period set forth above, this matter will be dismissed with prejudice in accordance with Section 16 of the Code of Arbitration Procedure.


Howard S. Eilen, Esq.

Dated: August 7, 1989