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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:
Steven J. Morris and Vicki S. Morris	:
Claimants	: Case #88-03466
vs.	: AWARD
Charles Schwab & Company, Inc.	:
Respondent	:

CASE SUMMARY

This proceeding was commenced initially on November 7, 1988 by Claimants Steven J. and Vicki S. Morris against Respondent Charles Schwab & Company, Inc. ("Schwab") and arises out of certain accounts held by Claimants from March 1981 through October 1987. Claimants assert that the Respondent is liable for certain losses incurred in these accounts. Specifically, Claimants allege that Schwab breached its duty to Claimants by advising him that the Bid/Ask price for the November 475 XMI Index Options was 55-65, when the Bid/Ask price actually was 155-165, and by executing a transaction on behalf of Claimants based upon false and erroneous information. Claimants further assert that Schwab, without their knowledge or permission, withheld \$100,000.00 out of Claimants' joint account maintained by Schwab. Claimant alleges that Schwab's action in this regard constitutes conversion of Claimants' property.

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Respondent denies any breach of duty and liability owed to Claimants with respect to these accounts. Respondent, essentially, contends that Schwab is not liable because it reasonably believed that it was conveying accurate information. In addition, Respondent asserts that it did not act negligently in executing Claimants' order and that Schwab is not liable for conversion of the Claimants' property. The Respondent asserts that the Cash Agreement executed by the Claimants authorizes Schwab to debit Claimants' account to cover any indebtedness.

RELIEF REQUESTED

Claimants request actual damages in the amount of \$100,000.00, interest, punitive damages, costs of arbitration including attorney's fees and any other relief to which Claimants are found to be entitled.

Respondent requests that the claims be denied.

AWARD

On November 20, 1989 said dates representing three (3) hearing sessions in Atlanta, Georgia, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants and Respondent herein.

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The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The claim of the Claimants Steven J. and Vicki S. Morris against the Respondent Charles Schwab & Company, Inc. shall be denied.
2. The parties shall each bear their respective costs including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimants as costs of the initial hearing session conducted in this matter.

ARBITRATORS

A. KEITH LOGUE

HARTWELL HOOPER


W. EARLE DODD III

DATED: February 6th, 1990

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