

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

K. Karl Showrai

Claimant

vs.

Charles Schwab & Co., Inc.

Respondent

AWARD

CASE NO. 88-03767

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on December 5, 1988. Claimant K. Karl Showrai claims that he made certain buy and sell orders with Respondent Charles Schwab & Co., Inc. Said transactions were not executed in a timely fashion, to his detriment.

Claimant also alleges that Respondent purchased stock without his authorization and Respondent liquidated certain positions without notice to him.

Respondent alleges that the trades and margin maintenance liquidation in question were handled properly and that the Claimant did not suffer any compensable loss as a result of Respondent's actions.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover \$61,137.65, interest on said amount from October 21, 1987, reasonable costs and attorneys' fees.

Respondent seeks dismissal of the claim in its entirety.

DAMAGES AND RELIEF AWARDED

On April 4, 1990 in Los Angeles, California, the undersigned arbitrators heard the controversy in two sessions between the parties as set forth in submissions to arbitration signed by Claimant K. Karl Showrai on November 20, 1988 and by Respondent Charles Schwab & Co., Inc. on February 6, 1989. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined

At the beginning of the hearing, all parties accepted the sole appointed arbitrator as the panel to decide all issues in this case. Sworn testimony was heard from Mr. Christensen, Mr. Sawyers and from a Mr. Robert Townshend (on behalf of Claimants). Argument was heard from all parties. Blinder Robinson was represented by legal counsel. All other parties acted pro se.

#### DAMAGES AND RELIEF REQUESTED

As amended by the testimony at the Hearing, Claimants sought damages of \$6,581.57, which includes interest, being the difference in value between what they paid for the Tele-Art and Beehive International Shares and what these shares were worth in the absence of the alleged misrepresentations. Claimants also asked for a rescission of their February 10, 1987 and May 5, 1987 sales of shares of Equitex, Inc. in their account at Blinder Robinson. Respondents requested dismissal of the claim and costs.

#### DAMAGES AND RELIEF AWARDED

On November 1, 1989, in Salt Lake City, Utah, the undersigned arbitrator heard the controversy in one session between the parties as set forth in submission agreements signed by Claimants Donald D. and Sharon L. Christensen and by Respondent Blinder Robinson & Co. The sole arbitrator, 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. Claimants' claims are denied in all respects.
2. The parties shall each bear their own respective costs including attorneys' fees.
3. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$200.00 filing fee previously deposited by the Claimants.
4. Pursuant to Section 30 of the NASD Code of Arbitration Procedure, the NASD shall refund the \$100.00 adjournment fee previously deposited by Respondent Blinder Robinson & Co.

OTHER ISSUES

Respondent Tom Sawyers filed personal bankruptcy during the pendency of Claimants' claim, and has been granted a discharge of all claims, including those of Claimants, by the Bankruptcy Court.

DATE SERVED: 11/30/89

  
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A. Robert Thorp  
Sole Arbitrator