

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Gulfstream Airlines, Inc.,

Claimant

vs.

Charles Schwab & Co.,

Respondent

}
}
}
} Case #88-03926

}
}
}
} Award

CASE SUMMARY

Claimant alleged that Respondent executed an order to sell 200 shares of Zayre Corp. stock at a lower price than what was initially confirmed. Claimant further alleged that Respondent sold out options in various stocks without notifying the Claimant although Claimant told Respondent he would meet the margin calls.

As for the first claim of the Claimant, Respondent maintained that it is not bound to honor an erroneously reported price because there is proof that no sales of Zayre stock occurred at the price quoted in error and it is only bound by the actual price. Respondent admitted, however, that an error was made between the recording of the executed order and the executed order itself and has offered to pay the Claimant for this error.

As for the second claim of the Claimant, Respondent maintained that pursuant to the Option Agreement executed by the Claimant, Respondent has the authority to take the necessary steps to protect itself against any losses if the Claimant fails to meet margin calls on a timely basis and that Claimant did not meet the margin calls in a timely fashion.

RELIEF REQUESTED

Claimant requested damages of \$27,057.00. Respondent requested a dismissal of the claim.

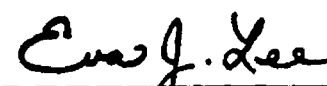
AWARD

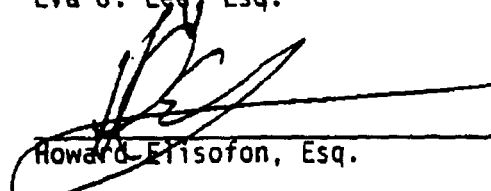
On August 28, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant on December 22, 1988 and by the Respondent on February 24, 1989. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

- A. Respondent shall be liable for and shall pay to the Claimant the sum of Three Hundred Seventy Two Dollars and No Cents (\$372.00), which includes interest.
- B. 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 Claimant and that sum shall be assessed against the Respondent to be paid directly to the Claimant.
- C. Respondent is assessed forum fees in the amount of \$400.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING


Martin Fogelman, Esq.


Eva J. Lee, Esq.


Howard Elisofon, Esq.

Dated: August 30, 1989