

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN	:
Charles Schwab & Co., Inc.	:
	:
Claimant	: Case #89-00171
vs.	:
	: AWARD
	:
Kate L. Bernstein	:
	:
Respondent	:

CASE SUMMARY

This proceeding was commenced initially on January 17, 1989 by Claimant Charles Schwab & Co., Inc. ("Charles Schwab") against Respondent Kate L. Bernstein ("Bernstein") and arises out of a certain account maintained by Claimant at its branch office in New York, New York. Claimant asserts that the Respondent is liable for certain losses incurred in the account. Claimant alleges that Bernstein opened the brokerage account with Charles Schwab on November 27, 1985 and engaged in a number of unsolicited option transactions in the account which required a margin call and a deposit of substantial funds in order to avoid liquidation of the account. Claimant further alleges that Bernstein failed to pay the margin deposit and that Charles Schwab liquidated Bernstein's account on January 31, and February 10, 1986, respectively. The Respondent asserts that a debit balance including margin interest remains in the account of the Respondent.

RELIEF REQUESTED

Claimant requests the sum of \$21,379.12, with pre-award interest thereon from February 28, 1986, together with the costs and attorney fees.

AWARD

On January 17, 1990, said dates representing two hearing sessions in New York City, New York, the undersigned arbitrators heard the controversy

between the parties as set forth in submissions to arbitration signed by Claimant Charles Schwab & Co., Inc. on July 19, 1988. Respondent Kate L. Bernstein did not submit a Uniform Submission Agreement and a Statement of Claim and did not appear at the hearing. 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 Respondent Kate L. Bernstein shall be liable and shall pay to the Claimant the sum of \$25,689.23, such amount representing the debit balance remaining in the account, including interest of \$3,319.00 at 9% from May 6, 1988 to date of award herein, and attorney fees and costs of \$1,000.00.
2. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund \$500.00 of the \$900.00 filing fee previously deposited by the Claimant as costs of the initial hearing session conducted in this matter.

CONCURRING ARBITRATORS

/s/

NORMAN TRABULUS

/s/

JEROME GOODGAL

/s/

JOSEPH A. GOTTLIEB

Dated: February 2, 1990

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 01/02/91

John A. Bender, Jr.

David G. Skeen

Monte W. Anthony

Monte W. Anthony