

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

CECIL R. & IVA M. COHEN
Claimants
and

CHARLES SCHWAB & COMPANY, INC.

Respondent

CASE NO. 89-01730

CASE SUMMARY

In a claim filed with the NASD on or about June 8, 1989, Claimants Cecil R. and Iva M. Cohen ("Claimants") alleged that they relied upon representations in the advertisements for Respondent Charles Schwab & Co., Inc. ("Respondent") wherein it is stated that confirmation of sale will be made over the telephone in nearly all instances, when placing an order to sell short 200 shares of Texas Instruments Common Stock. Claimants further alleged that Respondent's advertisement was misleading and that the account was mishandled.

In its answer filed with the NASD on or about July 31, 1989, Respondent stated that it did not act in an improper manner in reporting the execution of the short sale; that claimants did not suffer a loss on the trade; and that the advertisements are not misleading.

RELIEF REQUESTED

Claimants requested an award in the amount of \$3,866.67, plus interest at 10% per annum from July 8, 1987, attorneys fees and damages pursuant to the Texas Deceptive Trade Practice Act.

Respondent requested that the Statement of Claim be dismissed.

AWARD

On Tuesday, April 10, 1990 in Houston, Texas during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on June 5, 1989 by Claimants Cecil R. & Iva M. Cohen, on July 28th, 1989 by Stephen B. Schulte on behalf of Respondent Charles Schwab & Co., Inc.

Having considered the pleadings, the testimony, and the evidence presented at the hearing, I have decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim shall be and hereby is dismissed and denied in its entirety;

2. Claimant shall be and hereby is liable for and shall pay to Respondents the sum of One Thousand Eight Hundred Dollars (\$1,800.00) as attorneys fees;

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$200.00 filing fee previously deposited with the NASD by the Claimants Cecil R. & Iva M. Cohen.

Dated: 5/1/90

/S/

Presiding Arbitrator

Gerald S. Siegmeyer
Gerald S. Siegmeyer, Esq.

Date Served: 5-15-90