

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Jeffrey Alan Feldman

Claimant

vs.

Charles Schwab & Co., Inc.

Respondent

AWARD

CASE NO. 89-01820

SUMMARY OF ISSUES

This case was filed on June 23, 1989. Claimant Jeffrey Alan Feldman alleges that he entered into net credit spread S&P index option transaction on March 1, 1989. On March 16, 1989, he was assigned on his short position. Claimant alleges that he made several calls on March 16 to the brokerage but was not informed of said assignment. On March 17, 1989, Claimant attempted to sell his long position and buy back his short position. It was then he found out his short position had been assigned. Claimant contends that because he was not called by Respondent, he lost \$3,137.55.

Respondent alleges that they were under no duty to call the Claimant and had, in fact, a "CWC" (Customer Will Call) instruction on the account. Respondent also contends that the Claimant was fully informed of the risks inherent in options trading and voluntarily undertook said risks.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover \$3,137.55 plus interest on said amount at the rate of 7.5% from March 17, 1989.

DAMAGES AND RELIEF AWARDED

On March 23, 1990 in San Francisco, California, the undersigned arbitrator heard the controversy in one session between the parties as set forth in submissions to arbitration signed by Claimant Jeffrey Alan Feldman on June 20, 1989 and by Respondent Charles Schwab & Co., Inc. on November 19, 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:

1. Each and every claim of Claimant Jeffrey Alan Feldman against Charles Schwab & Co., Inc. is dismissed.

2. No forum fees are assessed.

3. The parties shall each bear their respective costs including attorneys' fees.

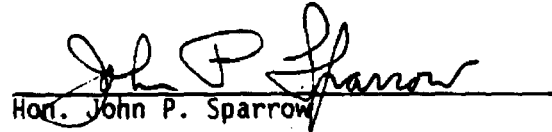
4. Pursuant to Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$100.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

Motion was made by Claimant to bar Respondent from presenting any matter, arguments, or defenses per Code of Arbitration Procedure Section 25(b)(2)(iii). Motion was denied.

PRESIDING ARBITRATOR

DATE SERVED: 04/18/90

  
Hon. John P. Sparrow