

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Vijay Agarwal
Preeta Agarwal

vs.

NASD Arbitration
No. 90-01162

Name of Respondent

Charles Schwab & Company, Inc.

REPRESENTATION

For Claimants: Maynard J. Klein, Esq.,

For Respondent: Gilbert R. Sarota, Esq., of Howard, Rice, Nemerovski, Canady,
Robertson & Falk, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed: April 23, 1990

Claimants' Submission Agreements signed on: July 24, 1989

Statement of Answer filed by Respondent, on: July 11, 1990

Respondent Submission Agreement signed on: June 1, 1990

HEARING INFORMATION

Pre-Hearing Conference: None

Hearing Date(s)/Sessions:	November 12, 1991 (two sessions)
	November 13, 1991 (two sessions)
	June 2, 1992 (two sessions)
	June 3, 1992 (two sessions)
	June 4, 1992 (one session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged breach of contract, negligence, breach of fiduciary duty and breach of covenant of good faith and fair dealing, with respect to the purchase and sale of securities.

Respondent denied all claims made by Claimants. Respondent alleged that Claimants are wealthy, sophisticated investors who made their own trading decisions and fully knew the risks of their strategy and understood their obligations.

RELIEF REQUESTED

Claimants requested 1) compensatory damages in the amount of \$900,000.00 plus additional amounts according to proof; 2) punitive damages in the amount of \$1,000,000.00; 3) for their costs of suits; and 4) for such additional relief as deemed proper. Respondent requested:

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrator(s) has/have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Charles Schwab & Company, Inc., is liable and shall pay to Claimants, Vijay and Preeta Agarwal, the sum of Twenty Seven Thousand, Four Hundred Twenty Eight Dollars and Fifty Five Cents (\$27,428.55), representing damages of \$18,755.00 plus pre-award interest of \$8,673.55.
2. The parties shall each bear their respective costs and fees, including attorneys' fees.
3. Claimants' claim for punitive damages is denied.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

- a. Claimants, Vijay and Preeta Agarwal are jointly and severally assessed the sum of \$1,500.00 representing fees for one-half of five hearing sessions at \$1,000.00 each, less their deposit of \$1,000.00.
- b. Respondent, Charles Schwab & Co., Inc., is assessed the sum of \$2,500.00 representing fees for one-half of five hearing at \$1,000.00 each.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Name

Public/Industry

Evelyn Ann Kramer

Public Arbitrator

Bert Levy

Public Arbitrator

Ronald J. Fox

Industry Arbitrator

Concurring Arbitrators' Signatures

Evelyn Ann Kramer

Bert Levy



Ronald J. Fox

Date of Decision: _____

Served July 21, 1992