

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Syed W. & Naseem Akhtar

90-01337

Name of Respondent

Charles Schwab & Company, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about May 10, 1990, Syed W. Akhtar and Naseem Akhtar ("Claimants") alleged that they received a confirmation of sale of shares of Microsoft Corporation indicating that the shares were sold on October 19, 1987 at a price of 64 1/2. Claimants alleged that they received two confirms a couple of days later indicating a sale price of 57 1/2 instead of the previously reported 64 1/2.

In the Answer filed with the NASD on or about June 26, 1990 submitted on behalf of William Blake and Julie K. Layton by Charles Schwab & Co., Inc. ("Respondent"), Respondent stated that the proper party to this arbitration was Charles Schwab & Co., Inc. and not the individual employees named as respondents. Respondent further stated that the order was not entitled to the execution price stated on the original confirm and therefore it cancelled the erroneous price and rebilled the trade at the correct price. Respondent also stated that the market was either locked or crossed during the day in question.

RELIEF REQUESTED

Claimants requested an award in the amount of \$6,993.00 plus interest.

Respondent requested that the Statement of Claim be dismissed and denied.

PROCEDURAL MATTER

On Thursday, February 21, 1991 in Chicago, Illinois during a hearing lasting a total of one (1) session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration

signed on April 23, 1990 by Claimants Syed W. Akhtar and Naseem Akhtar on June 7, 1990 by Respondent William Blake and on June 1, 1990 by Respondent Julie K. Layton.

At the commencement of the hearing Charles Schwab presented a motion to substitute itself as the sole respondent in this matter and to dismiss from these proceedings Respondents Blake and Layton. After hearing the positions of the parties, the arbitrator granted the motion and Respondents Blake and Layton were dismissed from this arbitration and Charles Schwab & Co., Inc. was substituted as the sole Respondent.

Respondent Charles Schwab & Co., Inc. did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and having orally submitted to arbitration at the hearing, answered the claim, appeared and testified at the hearing is bound by the determination of the arbitrator on all issues submitted.

AWARD

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Charles Schwab & Co., Inc. shall be and hereby is liable for and shall pay to the Claimants Syed W. and Naseem Akhtar the sum of Six Thousand Nine Hundred Ninety-three Dollars and no Cents (\$6,993.00);

2. Interest at the rate of 7% per annum ^{compounded daily} is awarded on the above stated sum from and inclusive of October 26, 1987 to and inclusive of the date this award is paid; REC

3. Each party shall bear its own costs and expenses incurred in this matter not specifically enumerated herein; and

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$125.00 previously deposited with the NASD by the Claimant. Respondent shall pay to the NASD the sum of \$75.00 as forum fees and shall pay to the Claimants the sum of \$200.00 as reimbursement of their costs.

Dated:

March 1, 1991

Robert C. Bonges
Robert C. Bonges, Esq.
Presiding Chair