

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Edward J. Widmer

92-03910

Name of Respondent

Charles Schwab & Company, Inc.

REPRESENTATION

The Claimant Edward J. Widmer ("Widmer") appeared pro se.

For Respondent Charles Schwab & Co, Inc. ("Schwab"): Stephen Kennedy.

CASE INFORMATION

Statement of Claim filed: November 17, 1992.

Claimant's Submission Agreement signed on: November 16, 1992.

Statement of Answer filed by Respondent Schwab on: February 9, 1993.

Respondent Schwab's Submission Agreement signed on: February 8, 1993.

HEARING INFORMATION

Hearing Date/Sessions: July 7, 1993/1 session.

Hearing Location: NASD offices located in New York City, New York.

CASE SUMMARY

Claimant alleged that in May 5, 1986 he transferred his entire Thomson-McKinnon stock, cash, dividend and interest paying account to Respondent Schwab, whereby, Claimant received an acknowledgment letter which stated "Dividends and interest will be credited to your account and held". Claimant further alleged that on June 16, 1992 Claimant found that his cash value in the account is not and has not been earning any interest over the years, contrary to his intent and understanding when the account was opened. Claimant contended that in entrusting his assets to Respondent he expected and was led to believe that his financial well being and growth was also Respondent's concern. Claimant alleged that because of Respondent's actions he lost \$9,675 in interest on his account.

Respondent maintained that Respondent never represented to Claimant that his Schwab account would earn interest. Respondent further maintained that Claimant's sole piece of evidence to support his claim is an April 7, 1986 letter which states that "dividends and interest will be credited to your account and held". Respondent maintained that this sentence does not state Claimant would earn interest on the uninvested cash balance in his account and if the wording was unclear or ambiguous to him, he should have contacted Respondent for clarification. Respondent maintained any loss was a result of Claimant's failure to familiarize himself with the terms and conditions of the account and his admitted negligence in not reviewing his account statements.

RELIEF REQUESTED

Claimant requested \$9,675 in compensatory damages.

Respondent requested all claims be dismissed in their entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Charles Schwab and Co, Inc. be and hereby is liable and shall pay Claimant Edward J. Widmer the sum of \$4,910, inclusive of interest.
2. Respondent Charles Schwab and Co, Inc. be and hereby is liable and shall pay Claimant Edward J. Widmer the sum of \$150 to reimburse him his paid fees.

3. Each party shall bear their own costs including attorney's fees.

FORUM FEES

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

1 session x 75 = \$75 less \$75.00 hearing session deposit = \$0 net due.

The NASD shall retain the \$75 filing fee and \$75 hearing session deposit previously paid by Claimant.

Arbitrators' Signatures

Name

Public/~~Industry~~


Joseph B. Russell, Esq.

Public Arbitrator

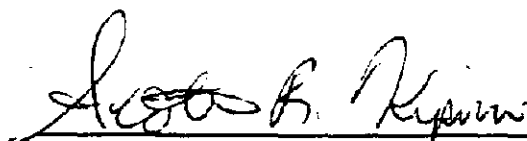
Date of Decision: August 4, 1993

STATE OF: *NEW YORK*

SS:

COUNTY OF: *NEW YORK*

On this *2* day of *August*, 1993, before me personally appeared Joseph B. Russell, Esq. know and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



SCOTT R. KIPNIS
Notary Public, State of New York
No. 5006100
Qualified in Nassau County
Commission Expires Dec. 28, 1994