

NASD AWARD

Claimants

Baron Abboud

Respondents

Charles Schwab & Co., Inc.

Case Number 93-02924

REPRESENTATION

For Claimant, Baron Abboud ("Abboud"): Anthony Hom, Esq. of the Law Office of Anthony Hom, Esq. Philadelphia, PA.

For Respondent, Charles Schwab & Co., Inc. ("Schwab"): Scott Hunt of Charles Schwab & Co., Inc., San Francisco, CA.

CASE INFORMATION

Statement of Claim filed: July 27, 1993. Claimant's Submission Agreement signed: July 14, 1993.

Respondent's Statement of Answer filed: October 22, 1993. Respondent's Submission Agreement signed on October 21, 1993 by Richard Dangerfield, Esq. on behalf of Schwab.

HEARING INFORMATION

On May 13, 1994, in Ft. Lauderdale, Florida, a hearing lasting 2 sessions was conducted.

CASE SUMMARY

Claimant alleged that Respondent was liable for: fraudulent misrepresentation and omissions; breach of contract; breach of fiduciary duty; violations of federal and state securities laws, including Section 10b and Rule 10b-5; violations of the rules and regulations of the NASD and various securities exchanges; failure to supervise; failure to provide competent professional services common law fraud; violation of Section 18's anti-fraud provisions; violation of Section 33 of the NASD rules; and, negligence.

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Claimant alleged that Respondent misrepresented or omitted to inform Claimant of material facts in connection with the assignment of options in Claimant's account with regard to the allegedly nonrandom assignment of thirty Intel April 105 put contracts.

Respondent denied all allegations of wrongdoing and alleged that: pursuant to the CBOE rules, the allocation of exercise notices assigned in respect of the short positions in this case was on a manual random selection basis that had been specified by the Exchange and there was nothing fraudulent, unlawful, improper or unethical about Schwab's conduct.

RELIEF REQUESTED

Claimant requested damages in the amount of \$20,000 plus interest, costs, attorney's fees and any other damages the panel may deem just and fair.

Respondents requested dismissal of the claim.

OTHER ISSUES CONSIDERED AND DECIDED

A challenge for cause to arbitrator Robert Sauer was raised at the hearing on May 13, 1994 and Mr. Sauer agreed to recuse himself. Pursuant to the lack of objection by the parties and Section 24 of the NASD Code of Arbitration Procedure, the hearing continued with the remaining two arbitrators.

AWARD

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

- (1) Respondent is found not liable and, therefore, all claims against it are hereby dismissed.
- (2) Claimant's requests for attorney's fees and costs are denied.

OTHER COSTS

- (1) The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

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FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the panel has assessed forum fees in the amount of \$ 800.00 (2 sessions x \$400.00 per session).

- (1) Claimant is assessed \$400.00 for which the NASD shall retain the \$400.00 previously deposited in full satisfaction thereof.
- (2) Respondent is hereby assessed \$400.00 payable directly to the National Association of Securities Dealers, Inc.
- (3) The NASD shall retain the non-refundable filing fee of \$100.00 paid by the Claimant..

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

Concurring Arbitrator(s) Signature(s)

Public/Industry

Gary M. Landau, Esq.

Public/Chairman

/s/

/s/

Manny Levine

Public

Date of Decision:

6/10/94