

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jin Y. Chung

94-00930

Name of Respondent

Charles Schwab & Company, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 11, 1994, Claimant Jin Y. Chung, who appeared Pro Se, alleged that Respondent Charles Schwab & Company, Inc. erred in executing a trade for her. Claimant further alleged that on May 19, 1993, she purchased 1,550 Spectrum Info Cl 1 93 warrants, and on May 20, 1993, she purchased another 950 warrants. Claimant contended that, soon thereafter, she placed a number of "limit" sell orders for 2,000 of the warrants. Claimant further contended that at around 2:00p.m., with the warrant trading at about \$8 to \$8.50, she replaced the limit order with a market sell order, which Respondent received at 3:19p.m., and executed it at a unit price of \$3.75. Claimant alleged that the unit price was subsequently adjusted upward to \$4.50. Claimant further alleged that, in an attempt to resolve the "time" discrepancy, she has made numerous attempts to obtain the related paperwork and audio tapes from Respondent, but has been unsuccessful. Claimant contended that she has suffered a loss for which Respondent should be liable.

Respondent Charles Schwab & Company, Inc., through its representative, Vicki F. Van Fleet, maintained that Claimant had five business days in which to settle on total purchases of 2,500 warrants ordered by her at various times on May 19, 1993 and May 20, 1993, yet failed to do so. Respondent further maintained that Claimant waited until July 3, 1993, to first voice her dispute as to Respondent's execution of her market order. Respondent contended that while a lag time of two hours and twenty minutes between the time Claimant placed her order and execution of the order was not abnormal, a price correction to \$4.50 was nevertheless given on the 2,000 warrants, and accordingly, Respondent should not be held liable.

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In a counterclaim, Respondent alleged that Claimant has not paid the debit balance in her account.

In a reply, Claimant alleged that Respondent has yet to produce any of the paper order tickets or audio tapes that she has been seeking, and has yet to respond substantively to her questions and requests.

RELIEF REQUESTED

Claimant Jin Y. Chung requested \$8,000.00 in actual damages.

Respondent Charles Schwab & Company, Inc. requested that the claims of the Claimant be dismissed and that it be awarded \$7,401.00 in actual damages for its counterclaim.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Samuel H. Freeman, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 8, 1994 and by the Respondent on June 8, 1994.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Jin Y. Chung against the Respondent Charles Schwab & Company, Inc. are dismissed in their entirety.
2. The Claimant, Jin Y. Chung, is liable and shall pay to Respondent Charles Schwab & Company, Inc. \$7,111.10 in actual damages.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities dealers, Inc. by the Claimant Jin Y. Chung shall be retained by the NASD, Inc.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Respondent, Charles Schwab & Company, Inc. shall be retained by the NASD, Inc.

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AFFIRMATION

I, SAMUEL H. FREEMAN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Samuel H. Freeman, Esq.

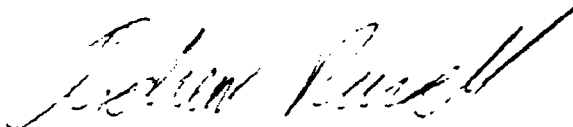
Date of Decision: June 19, 1995

STATE OF

SS:

COUNTY OF

On this day of , 1995, before me personally appeared Samuel H. Freeman, Esq. known 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.



ANDREW RUSSELL
Notary Public, State of New York
No. 02RUG034782
Qualified in New York County
Commission Expires Oct. 17, 1996