

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Sheng Zhou

94-01053

Name of Respondent(s)

Charles Schwab & Company, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD, Inc.") on March 18, 1994, Claimant Sheng Zhou, who appeared pro se, alleged that Respondent Charles Schwab & Company, Inc. failed to follow his instructions to cancel an open order to purchase 400 shares of 4th Dimension Software, and further that even though he canceled the order and the cancellation was verified by both mechanical and human brokers, he later discovered that the shares were purchased anyway. Claimant Sheng Zhou contended that he is entitled to recover damages due to the wrongdoing of the Respondent.

Respondent Charles Schwab & Company, Inc., through its representative, Rhonda Y. Jones, maintained that it correctly executed the Claimants order to purchase 400 shares of 4th Dimension Software stock in accordance with his instructions, and further that his attempt to later cancel this order came too late, as it had already been filled.

In a reply to the answer, the Claimant refuted the Respondent's defenses and reiterated his request for damages in this matter.

RELIEF REQUESTED

Claimant Sheng Zhou, requested cancellation of the purchase of 400 shares of 4th Dimension, and \$5,090.10 in actual damages.

Respondent Charles Schwab & Company, Inc., requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator Joel J. Bellows was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 29, 1994 and by the Respondent on May 25, 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 claim of the Claimant Sheng Zhou against Respondent Charles Schwab & Company, Inc. are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the NASD, Inc. by the Claimant Sheng Zhou, shall be retained by the NASD, Inc.

AFFIRMATION

I, Joel J. Bellows, 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.


Joel J. Bellows, Esq.

Date of Decision:

May 2, 1995

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REPORT OF ARBITRATOR

Claimant attempted to cancel a market order after it was filled. There is no substantiation of claim that execution was improper.