

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimant

Betsy Moody

95-04097

Name of Respondent

Charles Schwab & Co., Inc.

---

**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on August 25, 1995, Claimant Betsy Moody ("Claimant"), who appeared Pro Se, alleged that Respondent Charles Schwab & Co., Inc. ("Respondent"), wrongly placed a purchase order for \$3,000.00 worth of Iomega shares as a day limit order on May 9, 1995, and as a result, never executed the requested trade. Claimant further alleged that she received no information from the Respondent regarding the failure to execute the requested trade until June 2, 1995, and as a result of the above, she has suffered a loss for which the Respondent should be held liable.

Respondent Charles Schwab & Co., Inc., through its representative and in-house counsel, Joseph Tieger, Esq., maintained that as a discount broker, it has no obligation to insure that the Claimant enter a particular type of order to meet her specific investment objectives, and that the Claimant acknowledged the responsibility for this matter in the customer agreement she signed upon opening the account. Respondent further maintained that Claimant failed to fulfill her legal responsibility to mitigate the alleged loss when on June 2, she learned the trade had not been executed, and closed out her account. Respondent contended that as a result of the above, it should not be held liable.

**RELIEF REQUESTED**

Claimant Betsy Moody, requested \$3,000.00 worth of Iomega stock at \$14/share.

Respondent Charles Schwab & Co., Inc., requested that the claims of the Claimant be dismissed in its entirety.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Joseph Carlisi, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Betsy Moody, on August 22, 1995, and by the Respondent Charles Schwab & Co., Inc., on October 20, 1995.


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. Respondent Charles Schwab & Co., Inc. , is liable and shall pay to the Claimant Betsy Moody \$348.00 in actual damages which represents the difference between Iomega share price at the time of order and the time Claimant discovered the order had not been executed.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Betsy Moody, shall be retained by the NASD, Inc.

4. **All other relief requests are denied;**

**AFFIRMATION**

I, **JOSEPH CARLISI, 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.

  
Signature of Arbitrator

DATE OF DECISION: January 15, 1996