

4/10/97

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Robert J. Shepard

v.

Arbitration No.
96-05804

Name of Respondent

Charles Schwab & Co., Inc.

REPRESENTATION OF PARTIES

Robert J. Shepard ("**Claimant**") represented himself pro se.

Charles Schwab & Co., Inc. ("**Respondent**") was represented by Gregory M. Scanlon, Esq., Charles Schwab & Co., Inc., San Francisco, California.

CASE INFORMATION

Claimant's Statement of Claim was filed on or about December 30, 1996.. Claimant's Submission Agreement was signed on December 23, 1996.

Respondent's Statement of Answer was filed on or about February 28, 1997. The Submission Agreement for the Respondent was signed on January 29, 1997.

HEARING INFORMATION

The hearing was held on August 26, 1997 in San Francisco for a total of one session.

CASE SUMMARY

Claimant alleges that the Respondent posted an erroneous quote for Intel stock on their electronic trading system which was utilized by the Claimant to place orders. Claimant further alleges that the Respondent failed to inform him in a timely fashion that the quote was in error and that the limit order placed by the Claimant was not executed. Additionally, Claimant alleges that had he been

advised promptly of the error he could have adjusted his limit order, completed the transaction, and benefited from the subsequent rise in the stock price.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically argued that it was not responsible for erroneous quotes provided by a variety of services, including NASDAQ. Respondent further argues that the Claimant specifically agreed, pursuant to his account agreement, not to hold Respondent liable when there was a posting error that was out of Respondent's direct control.

RELIEF REQUESTED

Claimant requested an award in the amount of \$35,750.00.

Respondent requested that the claims asserted against it be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive conformed copies of the award while the original remains on file with NASD Regulation, Inc., Office of Dispute Resolution.

AWARD

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

1. Claimant is awarded, and Respondent shall pay to Claimant, the sum of \$1000.00.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There was one session x \$400 = \$400 in forum fees. Pursuant to Rule 10332(b) of the NASD Regulation, Inc., Office of Dispute Resolution Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less. Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the Respondent is assessed all forum fees.

Total Forum Fees	
1 Hearing Sessions @ \$400.00 -	\$400.00
Total	<u>\$400.00</u>

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NASD Arbitration No.

Award Page 3 of 3

Pursuant to Rule 10332(c) of the Code, NASD Regulation, Inc. shall retain the non-refundable filing fee in the amount of \$120 and shall refund the hearing session deposit in the amount of \$400 previously paid by the Claimant.

Pursuant to Rule 10333 of the Code, the NASD shall retain the member surcharge fee in the amount of \$200 previously paid by the Respondent.

Fees are payable to the NASD, Regulation, Inc.

Dated:

Marshall S. Galinsky, Esq.
Public Arbitrator, Presiding Chair

Richard S. Haas

Richard S. Haas, Esq.
Public Arbitrator

AUG. 28, 1977

Hugh W. Ditzler, Jr.
Industry Arbitrator

Date Served: August 28, 1997

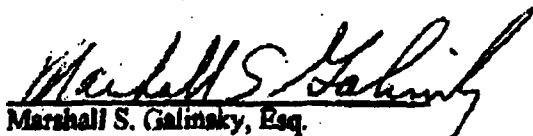
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NASD Arbitration No.
Award Page 3 of 3

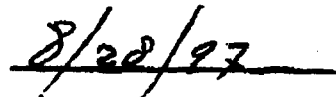
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Fees are payable to the NASD, Regulation, Inc.


Marshall S. Galinsky, Esq.
Public Arbitrator, Presiding Chair

Dated:


8/22/97

Richard S. Haas, Esq.
Public Arbitrator

Hugh W. Ditzler, Jr.
Industry Arbitrator

Date Served: August 28, 1997

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NASD Arbitration No.
Award Page 3 of 3

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Fees are payable to the NASD, Regulation, Inc.

Dated:

Marshall S. Gallinaky, Esq.
Public Arbitrator, Presiding Chair

Richard S. Haas, Esq.
Public Arbitrator

Hugh W. Ditzler, Jr.
Industry Arbitrator

8/27/97

Date Served: August 28, 1997