

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Charles Schwab & Company, Inc.

98-03926

Name of Respondent

Darrell Arvin

REPRESENTATION

For Claimant: Richard R. Karoly, Corporate Attorney, Charles Schwab & Co., Inc. ("Schwab").

Respondent Darrell Arvin ("Arvin") appeared pro se.

CASE INFORMATION

Statement of Claim filed: October 20, 1998.

Claimant's Submission Agreement signed on: October 16, 1998.

Respondent did not file a Statement of Answer or executed Submission Agreement.

HEARING INFORMATION

No hearings were conducted in this matter (see "Other Issues").

CASE SUMMARY

Claimant alleged the following: On May 4, 1998, the Respondent purchased and sold a total of 3,000 shares of Entremed, Inc. (symbol "ENMD") stock. The purchase price of the 3,000 shares of ENMD exceeded the sale price by approximately \$29,000.00. The Respondent's ENMD transactions caused a debit balance of \$16,992.98 in his account. Despite Schwab's efforts to obtain payment from the Respondent, the debit balance remains unpaid.

Claimant further alleged the following: Respondent opened Schwab account number CO 1221-2754 in November, 1993. Said account included margin privileges. Pursuant to the account agreement, the Respondent agreed to pay Schwab, on demand, any debit balances in the account. The Respondent also agreed to pay interest on the unpaid debit balance in the account. The

Respondent has failed to make payment to Schwab on said \$16,992.98 debit balance caused as a result of unsolicited trades placed by the Respondent.

RELIEF REQUESTED

Claimant requested that it be granted an award against the Respondent as follows:

- (a) Principal damages in the sum of \$16,992.98;
- (b) Interest on said principal balance at the rate of 8.75% per annum from and after June 1, 1998, through the present, said interest amounting to \$4.07 per day;
- (c) Costs, including but not limited to all NASD fees;
- (d) Attorney's fees in the sum of \$1,500.00; and,
- (e) Any other relief that the panel deemed just and proper.

OTHER ISSUES CONSIDERED & DECIDED

The Claimant has agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the Claimant has agreed to receive conformed copies of the Award while the original(s) remain on file with NASD Regulation, Inc.

The Respondent did not appear in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Arvin has been properly served with the Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators further determined that arbitration of the matter would proceed pursuant to Rule 10302 of the Code.

Respondent Arvin did not file with the NASD Regulation, Inc., Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the Code and is bound by the determination of the arbitration panel on all issues submitted.

On January 12, 1999, Claimant requested that this arbitration be decided on the papers, without a hearing, pursuant to Rule 10302 of the Code. The Respondent did not file a response to this request. On March 23, 1999, the arbitration panel granted Claimant's request that this matter be decided on the papers submitted, without a hearing.

AWARD

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

Respondent is liable and shall pay to Claimant the sum of \$16,992.98 representing the unsecured debit balance plus interest from June 1, 1998 until the date of payment of the Award, accruing at the rate of 8.75% per annum, said interest amounting to \$4.07 per day.

Claimant's request for all costs, including attorneys' fees, is denied.

OTHER FEES

Pursuant to Rule 10333 of the Code of Arbitration Procedure, Claimant has paid to NASD Regulation, Inc. the \$400.00 member surcharge.

Pursuant to Rule 10332 of the Code of Arbitration Procedure, Claimant has paid to NASD Regulation, Inc. the \$500.00 claim filing fee.

Pursuant to Rule 10302 of the Code of Arbitration Procedure, NASD Regulation, Inc. shall retain the \$600.00 hearing session deposit previously paid by the Claimant to NASD Regulation, Inc.

Concurring Arbitrators' Signatures
Name

Public/Industry

_____/S/_____
Hugh O. Brock, III, Esq.

Public

_____/S/_____
Richard V. McGalliard

Public

_____/S/_____
Rosemarie L. Bryan, J.D.

Industry

Date of Decision: April 14, 1999

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