

Stipulated Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Robert J. Smith, Claimant v. Charles Schwab & Co., Inc. and Richard Dennis Sanford,
Respondents.

Case Number: 99-01255

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

G. Mark Brewer, Esq.
The Brewer Law Firm
San Diego, California

For Respondents:

Karl A. Cole-Frieman, Esq.
Charles Schwab & Co., Inc.
San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 10, 1999

Claimant's Uniform Submission Agreement signed: April 16, 1999

Statement of Answer filed by Respondents : June 30, 1999

Respondent Charles Schwab & Co., Inc.'s Uniform Submission Agreement signed: June 7, 1999

Respondent Richard Dennis Sanford's Uniform Submission Agreement signed: June 21, 1999

CASE SUMMARY

Claimant alleged that he had attempted to place an order for 20,000 shares of BAT International, Inc., but that Respondent Charles Schwab & Co., Inc. had cancelled the order. Claimant further alleged that Respondents subsequently executed an unauthorized trade for BAT International, Inc. at a higher price.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim. Respondent Charles Schwab & Co., Inc. also brought a counterclaim against Claimant based on breach of contract for the sum of \$1,728.60 plus interest.

RELIEF REQUESTED

Claimant requested compensatory damages of \$80,000.00, interest, costs, and attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and an order from the arbitration ordering expungement of this arbitration matter from Mr. Sanford's Form U-4 on file with the NASD and the CRD.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony, and evidence presented by the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondent Charles Schwab & Co., Inc. have reached a confidential settlement. Respondent Richard Sanford is not a party to this settlement.
2. The Claimant dismisses, with prejudice, all claims asserted against Respondent Richard Sanford.
3. The members of the undersigned arbitration panel hereby issue an order expunging any reference of this matter from Respondent Richard Sanford's Form U-4 on file with the Central Registration Depository. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard Dennis Sanford's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Richard Dennis Sanford must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The parties shall bear their respective costs, including attorney's fees.
5. All relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 150.00
Respondent Charles Schwab & Co., Inc.'s	
Counterclaim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. Accordingly, the member firm, Charles Schwab & Co., Inc., is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference conducted. A pre-hearing conference is any meeting between the parties and the Chair/Panel. The following fees are assessed:

2 Pre-hearing conference sessions with the Panel @ \$ 500.00/session	= \$ 1,000.00
Pre-hearing conferences: January 20, 2000	
May 10, 2000	

Total Forum Fees	= \$ 1,000.00
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1. The Arbitration Panel assessed \$ 500.00 of the forum fees to Claimant Robert J. Smith.
2. The Arbitration Panel assessed \$ 500.00 of the forum fees to Respondent Charles Schwab & Co., Inc.

Fee Summary

1. Claimant, Robert J. Smith, is charged with the following fees and costs:

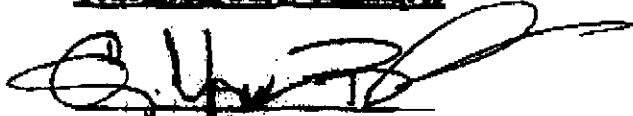
Initial Filing Fee	= \$ 150.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 650.00
Less payments	= \$ (650.00)
Balance Due NASD Regulation, Inc.	= \$ 0.00

3. Respondent, Charles Schwab & Co., Inc., is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 500.00
Member Fees	= \$ 3,100.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 4,100.00
Less payments	= \$ (3,450.00)
Balance Due NASD Regulation, Inc.	= \$ 650.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.

Consenting Party Signatures



G. Mark Brewer Esq.
Counsel for Claimant

6/1/00
Signature Date

Karl A. Cole-Friemen, Esq.
Counsel for Respondents


Signature Date

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Concurring Party Signatures


G. Mark Brewer Esq.
Counsel for Claimant

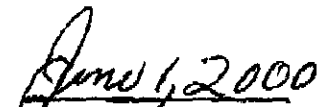
Signature Date


~~Karl A. Cole-Ermonen, Esq.~~
Counsel for Respondents
Gregory M. Scanlon, Esq.

6/1/00
Signature Date

Concurring Arbitrators' Signatures


Richard B. Chess, Jr., Esq.
Chair, Public Arbitrator

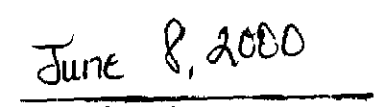

Signature Date

Joseph Winter
Public Arbitrator

Signature Date

Anatoly "Tony" Zubin
Non-Public Arbitrator

Signature Date


Date of Service

Concurring Arbitrators' Signatures

Richard B. Chess, Jr., Esq.
Chair, Public Arbitrator

Signature Date



Joseph Winter
Public Arbitrator

May 24, 2000

Signature Date

Anatoly "Tony" Zuban
Non-Public Arbitrator

Signature Date

Date of Service

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Richard B. Chess, Jr., Esq.
Chair, Public Arbitrator

Signature Date

Joseph Winter
Public Arbitrator

Signature Date

A. Tony Zabin
Anatoly "Tony" Zabin
Non-Public Arbitrator

6-1-2000
Signature Date

Date of Service