

N.A.S.D. REGULATION AWARD
NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

CASE: 99-3024

Charles Schwab & Co., Inc., claimant vs. Ota F. Cernoch, respondent.

ATTORNEYS:

For Claimant Charles Schwab & Co., Inc. ("Claimant"), Diane C. Fischer, Esq., of Gomberg, Kane & Fischer, Ltd. Chicago, IL.

Respondent Ota F. Cernoch ("Respondent"), did not respond to the Statement of Claim.

DATE FILED: July 7, 1999

CASE SUMMARY: Claimant alleged that Respondent incurred a debit balance in its margin account and despite several demands to Respondent to pay the unsecured debit balance in the account, Respondent has failed and refused to make such payment.

Claim Data

Claim: \$20,758.19

Interest: Totaling \$1,729.58 from 5/99 through 3/29/99; interest at the rate of 8.25% per annum (\$5.08 per day) in the amount of \$477.52 from 3/30/99 through 7/1/99; interest until the balance is paid at Schwab's current interest rate as specified in the Agreement.

Filing Fees: \$1,050.00

Costs: \$476.84

Award Data

Award: \$20,758.19

Interest: Totaling \$3,508.09 at the rate of various percent per annum from 5/1/99 through 3/29/99; plus 8.25% per annum from 3/30/99 to 7/31/99; 8.50% per annum from 8/1/99 to 12/31/99; 9.00% per annum from 1/1/00 to 4/20/00

Filing Fees: \$1,050.00

Costs: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 2) Respondent is liable and shall pay to the Claimant \$20,758.19. 2) Respondent is liable and shall pay to the Claimant interest totaling \$3,508.09, at the rate of various percentage per annum from 5/1/99 through 3/29/99; plus 8.25% per annum from 3/30/99 through 7/31/99; 8.50% per annum from 8/1/99 through 12/31/99 and 9.00% per annum from 1/1/00 through 4/20/00. 3) All other relief requests are denied. 4) The \$1,050.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by the Claimant, shall be retained by NASD Regulation, Inc. 5) Respondent is liable and shall pay claimant \$1,050.00 as reimbursement of the filing fee.

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OTHER FEES: Pursuant to Rule 10333 of the Code, Claimant has paid to NASD Regulation, Inc. the \$400.00 Member Surcharge previously invoiced.

OTHER ISSUES: Pursuant to the By-Laws of NASD Regulation, the arbitrator determined that Respondent was served notice of the Statement of Claim by regular mail, Overdue Notice and Notification of Arbitrator by certified mail, as evidenced by the signed signature card on file and is therefore bound by the arbitrator's ruling and determination.

AFFIRMATION

I, Michael J. Henke, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.


Michael J. Henke

June 7, 2000
Date of award