

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimants

Victor Chang, individually and on
behalf of the Victor Chang Charles
Schwab & Co., Inc. Cust IRA Rollover

Case Number: 08-02417

Name of the Respondent

Charles Schwab & Co., Inc.

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member

REPRESENTATION OF PARTIES

Claimants Victor Chang, individually ("V. Chang") and on behalf of the Victor Chang Charles Schwab & Co., Inc. Cust IRA Rollover ("the IRA") hereinafter collectively referred to as "Claimants": Philip Aidikoff, Esq. and Ryan K. Bakhtiari, Esq., Aidikoff, Uhl & Bakhtiari, Beverly Hills, California

Respondent Charles Schwab & Co., Inc. hereinafter referred to as "Respondent": Michael M. Gless, Esq., Keesal Young & Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed on or about: July 15, 2008

Claimants signed the Submission Agreement: July 11, 2008

Statement of Answer filed by Respondent on or about: September 10, 2008

Respondent signed the Submission Agreement: July 24, 2008

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CASE SUMMARY

Claimants asserted the following causes of action: violations of the "Know Your Customer Rule," breach of fiduciary duty, breach of written contract, constructive fraud, fraud by misrepresentation and omission, negligence, respondeat superior, negligent supervision, and violations of California Securities Act. The causes of action relate to the Schwab YieldPlus Fund.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested:

1. General and compensatory damages of not less than \$77,218.00;
2. Unspecified lost opportunity costs;
3. Costs;
4. Punitive damages;
5. Interest;
6. Attorneys' fees;
7. Rescission; and
8. Such other relief as the Panel deems just and appropriate.

Respondent requested:

1. The dismissal of all claims in their entirety with prejudice;
2. Costs; and
3. All other relief as provided by law.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

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 at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay Claimants compensatory damages of \$74,745.00.
2. Respondent is liable for and shall pay Claimants expert witness fees of \$13,500.00.
3. Respondent is liable for and shall pay Claimants \$225.00 as reimbursement for the non-refundable portion of the initial claim filing fee.

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4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee = \$ 975.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party Charles Schwab & Co., Inc. is assessed:

Member surcharge = \$1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$1,700.00

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena
 One (1) arbitrator @ \$200.00 (maximum of \$600) = \$ 200.00

Total Contested Motion for Issuance of Subpoena Fee = \$ 200.00

The Panel has assessed \$200.00 of the contested motion for issuance of a subpoena fees to Respondent.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$750.00/session = \$ 750.00
 Pre-hearing conference: November 20, 2008 1 session

Four (4) Hearing sessions @ \$750.00/session = \$3,000.00
 Hearing Dates: August 31, 2009 2 sessions
 September 1, 2009 2 sessions

Total Hearing Session Fees = \$3,750.00

The Panel has assessed \$3,750.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

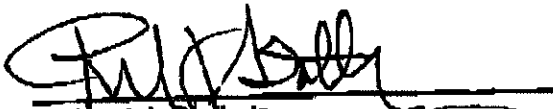
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ARBITRATION PANEL

Richard J. Stall, Jr.
Robert B. Moran
Grace L. Heyne

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

Consenting Arbitrators' Signatures



Richard J. Stall, Jr.
Public Arbitrator, Presiding Chairperson

Sept. 10, 2009
Signature Date

Robert B. Moran
Public Arbitrator

Signature Date

Grace L. Heyne
Non-Public Arbitrator

Signature Date

September 11, 2009
Date of Service (For FINRA Dispute Resolution use only)

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Richard J. Stall, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert B. Moran	-	Public Arbitrator
Grace L. Heyne	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard J. Stall, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date



Robert B. Moran
Public Arbitrator

9-11-09
Signature Date

Grace L. Heyne
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

Robert B. Moran
Public Arbitrator

Signature Date

Grace L. Hayne
Grace L. Hayne
Non-Public Arbitrator

09-10-2009
Signature Date

September 11, 2009
Date of Service (For FINRA Dispute Resolution use only)