

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

In the Matter of Charles Schwab & )  
Co., Inc. )  
 )  
Respondent )

CONSENT AGREEMENT

**RECEIVED**  
FEB 23 2000  
SECURITIES COMMISSIONER  
STATE OF NORTH DAKOTA

.....  
The North Dakota Securities Commissioner has advised the respondent, Charles Schwab & Co., Inc., (Schwab) that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has reason to believe as follows:

1. Respondent, Schwab, is a broker/dealer, which for all times relevant to this matter has been registered in the state of North Dakota. Respondent, Schwab, acted as a broker/dealer in the account of Merrill Lewis, a North Dakota resident prior to and including August of 1998.
2. On July 21, 1998, Mr. Lewis submitted a request to sell all the securities in his account with Schwab so that the account could be transferred to another broker/dealer. Schwab received the request on July 22, 1998.
3. Schwab did not sell the securities, as per the request of Mr. Lewis, until July 28 and 29, 1998. Based on market fluctuations that occurred during this time period, Mr. Lewis suffered losses in his securities account in the amount of \$3,324.01.
4. In December of 1999, Schwab did enter into a settlement agreement with Mr. Lewis wherein Schwab agreed to and did, in fact, pay \$3,324.01 to Mr. Lewis in compensation for his losses.
5. The Commissioner has conducted an investigation into this matter, and has spent over \$1,000 in investigative costs.
6. Respondent denies that the above-referenced securities transaction was not made in a timely manner. Respondent enters into this agreement as a settlement of this matter, and makes no admissions that it has engaged in any violations of the North Dakota Securities Act.
7. Respondent acknowledges its right to a hearing on this matter and, upon advice of counsel, waives its right to a hearing in this matter and to present arguments to the Commissioner.
8. Respondent agrees to resolve this matter with the Securities Commissioner by this agreement, and this is evidenced by its representative's signature below.

9. The following agreement is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS HEREBY AGREED THAT Respondent, Schwab, shall, contemporaneous with entering this agreement, pay \$1,000 to the Office of the Securities Commissioner in compensation for the investigative costs incurred through this investigation.

Signed and Sealed this <sup>28<sup>th</sup> (SV)</sup> ~~16~~ day of February, 2000.



*Syver Vinje*

Syver Vinje, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

Dated this 16 day of February, 2000.

Charles Schwab & Co., Inc.  
101 Montgomery Street  
San Francisco, CA 94104

By: *Linda Drucker* LINDA DRUCKER  
(Type or Print Name)

Signed: *Linda Drucker*  
Capacity: VP & Associate General Counsel

Subscribed and Sworn before me this 22nd day of February, ~~1999~~ 2000

*Esther John-Crandall*  
Notary Public  
State: California County: San Francisco  
My Commission Expires: 12/3/03

(Notary Seal)

