

May 3, 2004. (FinancialWire) Investor and trader Gregory **Sabbagh**, and his attorney, **Michael Shanker**, of **Shanker** Law Group, have accused Charles Schwab (NYSE: SCH), one of several brokers previously identified in the Stockgate scandal, of unilaterally halting trading in Phlo Corp. (OTC: PHLC), one of more than 100 companies identified as having been allegedly subjected to naked short selling.

Other brokers identified in various lawsuits and other actions related to the manipulative trading scandal include A.G. Edwards, Inc. (NYSE: AGE) and Ameritrade Holding Corp. (NASDAQ: AMTD).

Sabbagh, of West Hempstead, NY, said that Schwab would not let him sell shares of the company that the broker had previously bought for him, and accused the brokerage of fibbing to him that the reason was the company was under investigation by the U.S. Securities and Exchange Commission.

Sabbagh said he had purchased 1.8 million shares of Phlo Corp, at prices from \$1 to \$0.01, which after a reorganization sometimes identified with a short squeeze, saw its stock pop to over \$0.20 on huge volume. It closed April 13 and 14 at \$0.19. When **Sabbagh** called Schwab to put in a "sell" order, he said he was "told that schwab was no longer trading the security, and that they could not sell my shares. I then called Schwab with my lawyer, and was told the same, my shares could not be sold."

Sabbagh said he was puzzled, since Schwab had been a market maker, and he had bought all of his shares through the company. "I waited three weeks and have just been able to start trading, now the stock is down to \$0.10, and i have lost over half my money."

Sabbagh said an SEC complaint has been filed and he and his lawyer are awaiting an explanation.