

SCHWAB CHARLES CORP
 Form 3
 January 09, 2003

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden
 hours per response. . .0.5

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
 SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of
 the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment
 Company Act of 1940

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| | | | | | |
|---|--|---|--|--|--|
| 1. Name and Address of Reporting Person* | | 2. Date of Event Requiring Statement Month/Day/Year | | 4. Issuer Name and Ticker or Trading Symbol The Charles Schwab Corporation ("SCH") | |
| Penney, Geoffrey J. | | January 1, 2003 | | | |
| (Last) (First) (Middle) | | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | |
| c/o The Charles Schwab Corporation | | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | |
| 120 Kearny Street | | | | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | |
| (Street) | | | | (give title below) (specify below) | |
| San Francisco, CA 94108 | | | | Executive Vice President and Chief Information Officer | |
| (City) (State) (Zip) | | | | 6. If Amendment, Date of Original (Month/Day/Year) | |
| | | | | 7. Individual or Joint/Group Filing (Check Applicable Line) | |
| | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | | <input type="checkbox"/> Form filed by More than One Reporting Person | |
| Table I Non-Derivative Securities Beneficially Owned | | | | | |
| 1. Title of Security (Instr. 4) | | 2. Amount of Securities Beneficially Owned (Instr. 4) | | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | |
| 4. Nature of Indirect Beneficial Ownership (Instr. 5) | | | | | |
| Common Stock | | 127,743.00 | | D | |
| Common Stock | | 1,117.04 | | I | |
| Common Stock | | 1,041.25 | | I | |
| | | | | By 401(k) | |
| | | | | By ESOP | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

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**FORM 3 (continued) Table II - Derivative Securities Beneficially Owned
 (e.g., puts, calls, warrants, options, convertible securities)**

| | | | | | |
|--|---|---|---------------------------------|---------------------------------|---|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/ Year) | 3. Title and Amount of Securities Underlying Derivative | 4. Conversion or Exercise Price | 5. Ownership Form of Derivative | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
| | | | | | |

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| | | | Security (Instr. 4) | | of Derivative Security | Security: Direct (D) or Indirect (I) (Instr. 5) | |
|--|-------------------------|--------------------|------------------------|----------------------------------|------------------------------|--|--|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| Incentive Stock Option (right to buy) | 2/23/99 ⁽¹⁾ | 2/23/08 | Common Stock | 4,782.00 | \$8.7222 | D | |
| Incentive Stock Option (right to buy) | 2/27/03 ⁽¹⁾ | 2/27/12 | Common Stock | 7,627.00 | \$13.1100 | D | |
| Incentive Stock Option (right to buy) | 12/16/99 ⁽¹⁾ | 12/16/08 | Common Stock | 6,369.00 | \$13.5625 | D | |
| Incentive Stock Option (right to buy) | 2/28/02 ⁽¹⁾ | 2/28/11 | Common Stock | 4,784.00 | \$20.9000 | D | |
| Incentive Stock Option (right to buy) | 2/23/01 ⁽¹⁾ | 2/23/10 | Common Stock | 7,581.00 | \$26.3750 | D | |
| Non-Qualified Stock Option (right to buy) | 8/1/98 ⁽¹⁾ | 2/26/07 | Common Stock | 16,875.00 | \$6.8796 | D | |
| Non-Qualified Stock Option (right to buy) | 2/23/99 ⁽¹⁾ | 2/23/08 | Common Stock | 15,000.00 | \$8.7222 | D | |
| Non-Qualified Stock Option (right to buy) | 11/8/04 ⁽²⁾ | 11/8/12 | Common Stock | 100,000.00 | \$9.7100 | D | |
| Non-Qualified Stock Option (right to buy) | 9/24/02 ⁽³⁾ | 9/24/11 | Common Stock | 27,400.00 | \$10.2000 | D | |
| Non-Qualified Stock Option (right to buy) | 7/16/03 ⁽¹⁾ | 7/16/12 | Common Stock | 25,000.00 | \$10.4700 | D | |
| Non-Qualified Stock Option (right to buy) | 2/27/03 ⁽¹⁾ | 2/27/12 | Common Stock | 37,373.00 | \$13.1100 | D | |
| Non-Qualified Stock Option (right to buy) | 12/16/99 ⁽¹⁾ | 12/16/08 | Common Stock | 23,631.00 | \$13.5625 | D | |
| Non-Qualified Stock Option (right to buy) | 7/18/02 ⁽³⁾ | 7/18/11 | Common Stock | 137,000.00 | \$15.0200 | D | |
| Non-Qualified Stock Option (right to buy) | 5/4/01 ⁽⁴⁾ | 5/4/11 | Common Stock | 4,000.00 | \$20.6800 | D | |
| Non-Qualified Stock Option (right to buy) | 2/28/02 ⁽¹⁾ | 2/28/11 | Common Stock | 15,216.00 | \$20.9000 | D | |
| Non-Qualified Stock Option (right to buy) | 11/1/00 ⁽¹⁾ | 11/1/09 | Common Stock | 12,000.00 | \$25.9167 | D | |
| Non-Qualified Stock Option (right to buy) | 2/23/01 ⁽¹⁾ | 2/23/10 | Common Stock | 11,919.00 | \$26.3750 | D | |
| Non-Qualified Stock Option (right to buy) | 12/15/03 ⁽⁵⁾ | 12/15/10 | Common Stock | 75,000.00 | \$28.7500 | D | |
| Non-Qualified Stock Option (right to buy) | 10/25/01 ⁽¹⁾ | 10/25/10 | Common Stock | 8,000.00 | \$31.0625 | D | |

Explanation of Responses:

(1) The options were granted pursuant to the Company's 1992 Stock Incentive Plan and/or 2001 Stock Incentive Plan and vest in four equal installments beginning on the first anniversary of the date of grant.

(2) The options were granted pursuant to the Company's 1992 Stock Incentive Plan and/or 2001 Stock Incentive Plan and vest 25% on each of the second and third anniversary of the date of grant and 50% on the fourth anniversary of the date of grant.

(3) The options were granted pursuant to the Company's 1992 Stock Incentive Plan and/or 2001 Stock Incentive Plan and vest 35% on the first anniversary of the date of grant, 25% on the second anniversary of the date of grant, and 20% on each of the third and fourth anniversary of the date of grant.

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(4) The options were granted pursuant to the Company's 1992 Stock Incentive Plan and vest immediately.

(5) The options were granted pursuant to the Company's 1992 Stock Incentive Plan and vest 50% on each of the third and fourth anniversary of the date of grant.

By: /s/ **Geoffrey J. Penney**

Geoffrey J. Penney

**Signature of Reporting Person

January 6, 2003

Date

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.

If space is insufficient, See Instruction 6 for procedure.

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