

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Name of Claimant

Charles Schwab & Company, Inc.

Case No. 00-04656

Name of Respondents

Thomas M. Richfield  
d/b/a SPI Investments aka Star Personnel, Inc.

Hearing Site: A Washington D.C. Arbitration Panel decided on the papers

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**REPRESENTATION OF PARTIES**

Claimant, Charles Schwab & Company, Inc., hereinafter referred to as "Claimant": Richard A. Karoly, Esq., Charles Schwab & Company, Inc., San Francisco, CA.

Respondents, Thomas M. Richfield ("Richfield") and/or d/b/a SPI Investments, aka Star Personnel, ("SPI"), hereinafter collectively referred to as "Respondents" were not represented.

**CASE INFORMATION**

Statement of Claim filed on or about: October 17, 2000

Claimant signed the Uniform Submission Agreement: October 17, 2000

Respondents neither filed Uniform Submission Agreements nor did they file a Statement of Answer.

**CASE SUMMARY**

Claimant asserted the cause of action of breach of written contract and fraud. The cause of action relates to Respondents' delivery and sale of invalid stock certificate in Viola Group, Inc. Claimant alleged that Respondents withdrew in excess of \$242,000.00 from the Viola Group sale proceeds; that the transfer company notified Claimant that the stock certificates were invalid; that Respondents knew the stock certificates were invalid; and that Respondents left Claimant with a debit balance of \$232,236.00 which remains due and owing.

Respondents did not answer.

**RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$ 232,236.00
Interest	9.0% per annum
Attorneys' Fees	unspecified
Other Costs	unspecified

**OTHER ISSUES CONSIDERED AND DECIDED**

Respondents did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but pursuant to Respondents' account opening documents, including the Schwab One Account Agreement at pages 25-27, and the NASD Code of Arbitration Procedure (the "Code"), Respondents were required to submit to arbitration and are bound by the determination of the undersigned arbitrators ("Panel") on all issues submitted.

Upon review of the file and the representations made by Claimant, the Panel determined that Respondents have been properly served with the Statement of Claim and received due notice of the Initial Pre-Hearing Conference Call ("IPHC") on July 17, 2001, and that arbitration of the matter would proceed without Respondents appearing, in accordance with Sections 10324 and 10303(a) of the Code.

During the IPHC, the Panel considered Claimant's request to waive the hearing and decide this matter solely on the pleadings on file. As Claimant's request was unopposed, the Panel granted Claimant's request.

**AWARD**

After considering the pleadings and documents submitted with the Statement of Claim and post-hearing conference submission, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Thomas M. Richfield and SPI Investments aka Star Personnel, Inc., are jointly and severally liable to the Claimant and shall pay to the Claimant the sum of \$232,236.00; post judgment interest at a rate of 9.0% simple interest per annum, a per diem of \$57.26, is awarded on this amount from the date of this Award until the date the Award is paid.
2. That Respondents Thomas M. Richfield and SPI Investments aka Star Personnel, Inc., are jointly and severally liable to the Claimant and shall pay to the Claimant

attorney's fees in the amount of \$2,250, calculated from Claimant's counsel's affidavit.

3. That pursuant to Rule 10332(c) of the Code, Respondents Thomas M. Richfield and SPI Investments aka Star Personnel, Inc. are jointly and severally directed to refund to Claimant its non-refundable filing fee in the amount of \$1,000.

4. That other fees are assessed as reflected in the Fee section below.

5. That any and all requests for relief not specifically addressed herein are denied in their entirety.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000
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#### **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 person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500
Pre-hearing processing fee	= \$ 600

#### **Forum Fees and Assessments**

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing 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 x \$1,125.00	= \$1,125.00
Pre-hearing conference: July 17, 2001 1 session	

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Total Forum Fees = \$1,125.00

The Panel has assessed \$1,125.00 of the forum fees to Respondents jointly and severally.

**Fee Summary**

Claimant is assessed the following fees:

Filing Fee <sup>1</sup>	\$1,000 <sup>1</sup>
Member Fees	\$2,100

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Total Fees	= \$3,100
Less payments	= \$4,225

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Refund Due Claimant	= \$1,125
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Respondents are jointly and severally liable for  
Forum Fees = \$1,125

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Total Fees	= \$1,125
Less payments	= \$ 0

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Balance Due NASD Dispute Resolution, Inc.	= \$1,125
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All balances are due to NASD Dispute Resolution, Inc.

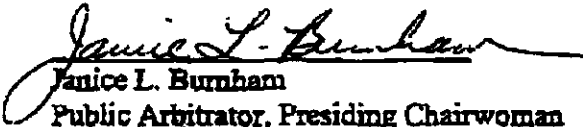
**ARBITRATION PANEL**

Janice L. Burnham, Esq.	-	Public, Chairwoman
Caryl S. Bernstein, Esq.	-	Public Arbitrator, Panelist
Mr. David H. Davis	-	Non-Public Arbitrator, Panelist

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<sup>1</sup> See Number 3 in the Award section. Respondents have been directed to reimburse to Claimant the non-refundable filing fee of \$1,000 that Claimant paid at the time its claim was filed.

Concurring Arbitrators' Signatures

  
Janice L. Burnham  
Public Arbitrator, Presiding Chairwoman

9/24/01  
Signature Date

Caryl S. Bernstein  
Public Arbitrator, Panelist

Signature Date

David H. Davis  
Non-Public Arbitrator, Panelist

Signature Date

October 9, 2001  
Date of Service (For NASD-Dispute Resolution office use only)

**Concurring Arbitrators' Signatures**

Janice L. Burnham  
Public Arbitrator, Presiding Chairwoman

Signature Date

Caryl S. Bernstein  
Caryl S. Bernstein  
Public Arbitrator, Panelist

Sept. 24, 2001  
Signature Date

David H. Davis  
Non-Public Arbitrator, Panelist

Signature Date

October 9, 2001  
Date of Service (For NASD-Dispute Resolution office use only)

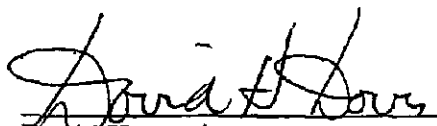
**Concurring Arbitrators' Signatures**

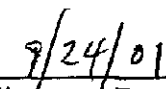
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Janice L. Burnham  
Public Arbitrator, Presiding Chairwoman

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Signature Date

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Caryl S. Bernstein  
Public Arbitrator, Panelist

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Signature Date

  
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David H. Davis  
Non-Public Arbitrator, Panelist

  
\_\_\_\_\_  
Signature Date

October 9, 2001  
Date of Service (For NASD-Dispute Resolution office use only)