

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Charles Schwab & Co., Inc.

Case Number: 21-00534

vs.

Respondent

Richard Pierre Louis
a/k/a Richard P. Louis
a/k/a Richard Louis

Hearing Site: Atlanta, Georgia

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Member vs. Customer

REPRESENTATION OF PARTIES

For Claimant Charles Schwab & Co., Inc.: Jonathan D. Berg, Esq., Jaffe & Asher LLP, New York, New York.

Respondent Richard Pierre Louis, a/k/a Richard P. Louis, a/k/a Richard Louis did not appear.

CASE INFORMATION

Statement of Claim filed on or about: February 26, 2021.

Charles Schwab & Co., Inc. signed the Submission Agreement: February 26, 2021.

Respondent did not file a Statement of Answer and did not sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the cause of action of check-kiting. The cause of action relates to Respondent's alleged use of non-existing funds transferred from an external bank account to trade on margin in his Charles Schwab & Co., Inc. brokerage account.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: 1) the sum of \$69,039.21 on the unsecured debit balance in Respondent's account; 2) interest calculated at the Georgia statutory prescribed interest rate of 7% per annum (Ga. Code. Ann. § 7-4-2) from May 1, 2020, until the date of the Award, as well as post-award interest at the legal rate; 3) all fees, costs and

expenses associated with this arbitration, including the FINRA filing fee of \$1,750.00 and all FINRA forum and hearing sessions fees; 4) reasonable attorneys' fees if Respondent contests this arbitration; and, 5) such other and further relief as the Arbitrator deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

Respondent Richard Pierre Louis did not file a Statement of Answer. The Arbitrator determined that FINRA Dispute Resolution Services served Respondent with the Claim Notification letter dated March 1, 2021, by regular mail, and the Overdue Notice (including the Statement of Claim) dated June 9, 2021, by regular mail. The Arbitrator also determined that FINRA Dispute Resolution Services served Respondent Richard Pierre Louis with the Notification of Arbitrator dated July 22, 2021, by regular and certified mail, as evidenced by the USPS tracking information available online.

The Arbitrator further determined that Claimant served Respondent Richard Pierre Louis with the Statement of Claim via FedEx, as evidenced by Claimant's Affidavit of Service dated April 16, 2021 and attached proof of delivery.

The Arbitrator determined that Respondent is, therefore, bound by the Arbitrator's ruling and determination.

The Arbitrator's Initial Pre-Hearing Conference Order, dated August 23, 2021, gave Respondent an additional 30 days to file a Statement of Answer. On November 2, 2021, Claimant filed a Motion to Bar Respondent's Defenses pursuant to Rule 12308 of the Code in which it asserted, among other things, that Respondent failed to timely file a Statement of Answer or otherwise appear, and that Respondent should be barred from presenting any defenses or facts at the hearing. Respondent did not file a response to Claimant's Motion. In an Order dated November 15, 2021, the Arbitrator granted Claimant's Motion.

Respondent Richard Pierre Louis did not appear at the evidentiary hearing. Upon review of the file, the Arbitrator determined that Claimant served Respondent Richard Pierre Louis via Federal Express and email with notice of the hearing, dated February 28, 2022, and that arbitration of the matter would proceed without Respondent present, in accordance with the Code.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$69,031.29 in compensatory damages for the unsecured debit balance in Respondent's account.

2. Respondent is liable for and shall pay to Claimant interest on the above-stated sum at the Georgia statutory prescribed interest rate of 7% per annum (Ga. Code Ann. § 7-4-2) from May 1, 2020, until the date of this Award, as well as post-award interest at the Georgia legal rate, until fully paid to Claimant.
3. Respondent is liable and shall pay to Claimant the sum of \$1,681.00 in costs, which includes the non-refundable portion of the filing fee previously paid by Claimant to FINRA Dispute Resolution Services in the amount of \$1,000.00.
4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=\$ 1,750.00
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*The filing fee is made up of a non-refundable and a refundable portion.

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Claimant Charles Schwab & Co., Inc. is assessed the following:

Member Surcharge	=\$ 1,100.00
Member Process Fee	=\$ 2,250.00

Hearing Session Fees and Assessments

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

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	=\$ 450.00
Pre-Hearing Conference: August 23, 2021	1 session

One (1) hearing session @ \$450.00/session	=\$ 450.00
Hearing: March 2, 2022	1 session

Total Hearing Session Fees	=\$ 900.00
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The Arbitrator has assessed the total hearing session fees to Respondent Richard Pierre Louis.

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

ARBITRATOR

Theresa Joan Rosenberg

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

Theresa Joan Rosenberg

Theresa Joan Rosenberg
Sole Public Arbitrator

03/16/2022

Signature Date

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March 16, 2022

Date of Service (For FINRA Dispute Resolution Services use only)