

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

---

In the Matter of the Arbitration Between

Name of Claimant

George Shepit IRA Rollover

Case No. 00-04010

Name of Respondent

Olde Discount Corporation n/k/a  
H&R Block Financial Advisors, Inc.

Hearing Site: Tampa, Florida

---

**REPRESENTATION OF PARTIES**

George Shepit IRA Rollover ("Claimant") appeared pro se. Daniel Perry, Esq., Orlando, Florida acted as an advisor to Claimant.

For Olde Discount Corporation n/k/a H&R Block Financial Advisors, Inc., hereinafter referred to as "Respondent": Howard M. Klausmeier, Esq. and David T. Doyle, Esq., H&R Block Financial Advisors, Inc.

**CASE INFORMATION**

Statement of Claim filed on or about: August 30, 2000.

Additional submission from Claimant dated August 30, 2000 filed.

Letter from Claimant dated January 18, 2001 to NASD Dispute Resolution, Inc. filed.

Additional Submission from Claimant dated February 15, 2001 filed.

Second Amended Complaint filed on or about: May 29, 2001.

Claimant signed the Uniform Submission Agreement: September 1, 2000.

Answer and Affirmative Defenses filed by Respondent on or about: November 24, 2000.

Statement of Answer to Claimant's Second Amended Complaint filed on or about: June 15, 2001.

Respondent signed the Uniform Submission Agreement: October 12, 2000.

**CASE SUMMARY**

Claimant asserted the following causes of action: Violation of federal and state securities laws; churning; misrepresentation and omission of facts; failure to provide a prospectus; unsuitability; breach of contract; negligence; failure to supervise; breach of fiduciary duty; and improper execution price. The causes of action relate to the recommendations and subsequent purchase and/or sale for Claimant's account of a 9.45% Series A Monthly Income Preferred Stock issued by the Loewen Group

Limited Partnership and a 9.50% Monthly Income Preferred Stock issued by Aetna Capital LLC.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent and its stockbrokers fully, professionally, and accurately performed their limited transactional duties. Respondent followed the instructions of Claimant and made suitable recommendations that were consistent with his investment objectives. Furthermore, a previously existing Release and Settlement Agreement bars this matter from proceeding.

### **RELIEF REQUESTED**

Claimant requested damages for losses in his account in the sum of \$76,540.00; punitive damages of \$20,054.00; and, costs of \$3,675.00.

Respondent requested that the claim be dismissed and that Claimant be assessed the costs and expenses of maintaining this arbitration.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

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

Claimant's claims are dismissed in their entirety.

Any and all relief not specifically addressed herein, including Claimant's request for punitive damages, is denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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	= \$225.00
--------------------------	------------

### **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. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$1,500.00

### **Adjournment Fees**

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

### **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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two Pre-hearing sessions with Panel x \$750.00	= \$1,500.00
Pre-hearing conference(s): April 16, 2001	1 session
June 27, 2001	1 session

Two Hearing sessions x \$750.00	= \$1,500.00
Hearing Dates: August 8, 2001	2 sessions

---

Total Forum Fees	= \$3,000.00
------------------	--------------

The panel has assessed \$1,800.00 of the forum fees to Claimant.

The panel has assessed \$1,200.00 of the forum fees to Respondent.

### **Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

### **Fee Summary**

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$225.00
--------------------	------------

Forum Fees = \$1,800.00

---

Total Fees = \$2,025.00

Less payments = \$975.00

---

Balance Due NASD Dispute Resolution, Inc. = \$1,050.00

Respondent be and hereby is solely liable for:

Member Fees = \$3,100.00

Forum Fees = \$1,200.00

---

Total Fees = \$4,300.00

Less payments = \$3,100.00

---

Balance Due NASD Dispute Resolution, Inc. = \$1,200.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

<i>Richard D. Flemings</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Franci G. Rudolph</i>	-	<i>Public Arbitrator</i>
<i>Augusto V. Perrotta</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/\_\_\_\_\_  
Richard D. Flemings  
Public Arbitrator, Presiding Chair

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

\_\_\_\_\_/S/\_\_\_\_\_  
Franci G. Rudolph  
Public Arbitrator

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

\_\_\_\_\_/S/\_\_\_\_\_  
Augusto V. Perrotta  
Non-Public Arbitrator

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

September 7, 2001  
Date of Service (For NASD-Dispute Resolution office use only)

Forum Fees	= \$1,800.00
<hr/>	
Total Fees	= \$2,025.00
Less payments	= \$975.00
<hr/>	
Balance Due NASD Dispute Resolution, Inc.	= \$1,050.00

Respondent be and hereby is solely liable for:

Member Fees	= \$3,100.00
Forum Fees	= \$1,200.00
<hr/>	
Total Fees	= \$4,300.00
Less payments	= \$3,100.00
<hr/>	
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

<i>Richard D. Flemings</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Franci G. Rudolph</i>	-	<i>Public Arbitrator</i>
<i>Augusto V. Perrotta</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

*Richard D. Flemings*  
Richard D. Flemings  
Public Arbitrator, Presiding Chair

*30 August 2001*  
Signature Date

Franci G. Rudolph  
Public Arbitrator

Signature Date

Augusto V. Perrotta  
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

Forum Fees	= \$1,800.00
<hr/>	
Total Fees	= \$2,025.00
Less payments	= \$975.00
<hr/>	
Balance Due NASD Dispute Resolution, Inc.	= \$1,050.00

Respondent be and hereby is solely liable for:

Member Fees	= \$3,100.00
Forum Fees	= \$1,200.00
<hr/>	
Total Fees	= \$4,300.00
Less payments	= \$3,100.00
<hr/>	

Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00
---	--------------

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

<i>Richard D. Flemings</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Franci G. Rudolph</i>	-	<i>Public Arbitrator</i>
<i>Augusto V. Perrotta</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Richard D. Flemings  
Public Arbitrator, Presiding Chair

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

*Franci G. Rudolph*  
\_\_\_\_\_  
Franci G. Rudolph  
Public Arbitrator

*8/17/01*  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Augusto V. Perrotta  
Non-Public Arbitrator

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

\_\_\_\_\_  
Date of Service (For NASD-Dispute Resolution office use only)

NASD Dispute Resolution, Inc.  
Arbitration No. 00-04010  
Award Page 4

Forum Fees	= \$1,800.00
Total Fees	= \$2,025.00
Less payments	= \$975.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,050.00
Respondent be and hereby is solely liable for:	
Member Fees	= \$3,100.00
Forum Fees	= \$1,200.00
Total Fees	= \$4,300.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

#### ARBITRATION PANEL

Richard D. Flemings	Public Arbitrator, Presiding Chair
Franci G. Rudolph	Public Arbitrator
Augusto V. Perrotta	Non-Public Arbitrator


#### Concurring Arbitrators' Signatures

Richard D. Flemings  
Public Arbitrator, Presiding Chair

Signature Date

Franci G. Rudolph  
Public Arbitrator

Signature Date

  
Augusto V. Perrotta  
Non-Public Arbitrator

9-6-01  
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)