

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

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

and

01-01777
Phoenix, Arizona

Name of Respondents

Gerard M. Burns
Gerard M. Burns, Jr.
Leonard J. Burns
Cambridge Investments Services, LLC
GT & Associates, LLC
Marshall J. Roossin and Kristin M. Roossin
~~John Scott Wright~~

REPRESENTATION OF PARTIES

H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation ("**Claimant**") was represented by Ronald P. Kane, Esq. and Edward A. Walton, Esq. Kane & Fischer Ltd, Chicago, Illinois.

Gerard M. Burns, Gerard M. Burns, Jr., Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC did not appear at the hearing.

Marshall J. Roossin and Kristin M. Roossin were represented by Christopher D. Lonn, Esq., Owens & Perkins, P.C., Scottsdale, Arizona and Court S. Rich, Esq., Nearhrod Law Offices PLC, Scottsdale, Arizona.

John Scott Wright was represented by David A. Pennartz, Esq., The Pennartz Law Firm, P.L.C., Phoenix, Arizona.

CASE INFORMATION

Arbitration Claim and Request for Expedited Hearing was filed on or about April 9, 2001. Answer to Marshall J. Roossin and Kristin M. Roossin's Counterclaim was filed on or about June 18, 2001. Submission Agreement of Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation was signed on April 16, 2001 by David C. Andrew.

Answer/Cross-Claim/Counterclaim was filed by Respondents Marshall J. Roossin and Kristin M. Roossin on or about June 7, 2001. Submission Agreement of Respondents Marshall J. Roossin and Kristin M. Roossin was signed on May 30, 2001.

Motion to Dismiss for Lack of Jurisdiction (Consent) and Alternative Motion to Stay/Motion to Bifurcate and Continue Hearing as Against Respondent Wright was filed on or about August 5, 2003. Request for Accelerated Telephonic Oral Argument and Accelerated Ruling on: Motion to Dismiss for Lack of Jurisdiction (Consent) and Alternative Motion to Stay/Motion to Bifurcate and Continue Hearing as Against Respondent Wright was filed on or about August 5, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, common law fraud, state and federal fraud, civil conspiracy, civil theft, violation of state and federal securities laws, and negligence. In the Statement of Claim, Claimant alleged as follows:

~~Respondents used their accounts to purchase and trade shares of Canadian penny stocks~~ through Claimant, a registered securities broker-dealer. It is now clear that respondents never intended to pay for their purchases. Instead, the Respondents used their HRBFA accounts to participate in what appears to be a brazen, organized, stock manipulation scheme (currently being investigated by Canadian securities authorities).

In furtherance of their scheme, the Respondents deposited hundreds of thousands of dollars in worthless checks into their accounts, deposited questionable stock certificates, juggled funds, engaged in free-riding and misused HRBFA's funds so they could purchase and, evidently, attempt to manipulate Canadian Venture Exchange stocks, most notably the stock of a firm called Odin Industries. The resulting wreckage of their conspiracy has left HRBFA with an unsecured debit balance in excess of one million dollars (a loss calculation will be provided at the hearing).

Respondents denied the allegations set forth in the Statement of Claim.

RELIEF REQUESTED

Claimant requested an award of compensatory damages of approximately \$1.4 million. Additionally, Claimant requests as Award of all costs and fees, attorney fees, interest and all other such relief that the panel shall deem just and equitable. At the hearing, Claimant requested an award as follows:

- Compensatory damages in the total amount of \$1,346,833.00;
- Interest from January 1, 2001 through August 12, 2003 at the rate of 10% per annum in the total amount of \$352,026.00;
- Attorneys' fees in the total amount of \$41,972.00; and

- Costs in the total amount of \$13,468.81.

Respondents Marshall J. Roosin and Kristin M. Roosin requested that the claims asserted against them be denied and requested unspecified compensatory damages.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Gerard M. Burns, Gerard M. Burns, Jr., Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC had been properly served with the Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent Respondents Gerard M. Burns, Gerard M. Burns, Jr., Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondents Gerard M. Burns, Gerard M. Burns, Jr., Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the terms of the Account Agreement and are bound by the determination of the arbitration panel on all issues submitted.

At the hearing, Claimant's attorney represented to the Arbitration Panel that Respondent Gerard Burns, Jr. had filed for bankruptcy and acknowledged that this matter was stayed as to him. As a result, this Arbitration Panel has not adjudicated the claims asserted against Gerard Burns, Jr.

At the hearing, Claimant and Respondents Marshall J. Roosin, Kristin M. Roosin and John Scott Wright advised the Arbitration Panel that they had reached settlements of all claims asserted among them.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Gerard M. Burns, Cambridge Investments Services, LLC and GT & Associates,

LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$494,498.12 as compensatory damages.

2. Respondents Gerard M. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$129,247.92 as interest from January 1, 2001 through August 12, 2003.
3. Respondents Gerard M. Burns, Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$852,334.88 as compensatory damages.
4. Respondents Gerard M. Burns, Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$222,778.08 as interest from January 1, 2001 through August 12, 2003.
5. Respondents Gerard M. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$41,972.00 as attorneys' fees. In making this award of attorneys' fees, the undersigned arbitrators find that they have authority to make an award of attorneys' fees pursuant to the Account Agreement.
6. Respondents Gerard M. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay to Claimant H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation the sum of \$13,468.81 as costs. In making this award of costs, the undersigned arbitrators find that they have authority to make an award of costs pursuant to the Account Agreement.
7. Interest at the rate of 10% per annum is awarded on the principal amounts awarded above from and inclusive of August 13, 2003 to and inclusive of the date this award is paid.
8. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
9. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,250.00
Counter claim filing fee	= \$ 250.00

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

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Dates May 20-31, 2002 adjournment requested by Claimant	= \$1,200.00
Hearing Dates February 18-20, 2003 adjournment by party Respondents Marshall J. Roossin and Kristin M. Roossin	= \$1,200.00

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing session(s) with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference(s): February 20, 2003 1 session	
Two (2) Pre-hearing session(s) with Panel x \$1,200.00	= \$2,400.00
Pre-hearing conference(s): November 5, 2001 1 session	
September 20, 2002 1 session	

One (1) Hearing sessions x \$1,200.00 = \$1,200.00
Hearing Date(s): August 12, 2003 1 session

Total Forum Fees = \$4,050.00

The Arbitration Panel has assessed \$0.00 of the forum fees to H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation.
The Arbitration Panel has assessed \$4,050.00 of the forum fees jointly and severally to Respondents Gerard M. Burns, Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC.

Fee Summary

Claimant, H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation, shall be and hereby is liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 6,100.00
Adjournment Fee	= \$ 1,200.00
Administrative Costs	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Marshall J. Roossin and Kristin M. Roossin shall be and hereby are liable for:

Counterclaim Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 1,200.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 1,450.00
<u>Less payments</u>	= \$ 1,250.00
Balance Due NASD Dispute Resolution	= \$ 200.00

Respondents Gerard M. Burns, Leonard J. Burns, Cambridge Investments Services, LLC and GT & Associates, LLC shall be and hereby are jointly and severally liable for and shall pay:

<u>Forum Fees</u>	= \$ 4,050.00
Balance Due NASD Dispute Resolution	= \$ 4,050.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Richard L. Merkel - Public Arbitrator, Presiding Chair
Thomas S. Barsuk - Public Arbitrator
Peter Michael Salcido, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Richard L. Merkel
Public Arbitrator, Presiding Chair

Signature Date

Thomas S. Barsuk
Public Arbitrator

Signature Date

Peter Michael Salcido, Esq.
Non-Public Arbitrator

Signature Date

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Richard L. Merkel
Public Arbitrator, Presiding Chair

8/20/03

Signature Date

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Public Arbitrator

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Peter Michael Salcido, Esq.
Non-Public Arbitrator

Signature Date

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Public Arbitrator

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Non-Public Arbitrator

Signature Date

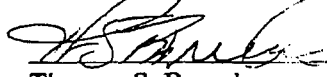
8/20/03

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