

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Kent D. Koerper vs. H&R Block Financial Advisors, Inc. fka OLDE Discount Corporation  
and Philip Cox

Case Number: 02-01238

Hearing Site: Atlanta, Georgia

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**REPRESENTATION OF PARTIES**

For Kent D. Koerper, hereinafter referred to as "Claimant:" Burleigh Singleton, Esq.,  
Kilpatrick Stockton LLP, Atlanta, Georgia.

For H&R Block Financial Advisors, Inc. formerly known as OLDE Discount Corporation,  
("H&R Block") and Philip Cox ("Cox"), hereinafter collectively referred to as  
"Respondents:" David T. Doyle, Esq. and Howard M. Klausmeier, Esq., in-house  
counsel for H&R Block Financial Advisors, Inc., Detroit, Michigan.

**CASE INFORMATION**

Statement of Claim filed on or about: February 27, 2002.

Claimant signed the Uniform Submission Agreement: February 25, 2002.

Statement of Answer filed by Respondents on or about: May 15, 2002.

Respondent H&R Block signed the Uniform Submission Agreement: April 3, 2002.

Respondent Philip Cox did not file an executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: fraud, churning, and breach of  
fiduciary duty. The causes of action relate to the purchase and sale of shares of  
Intercept Group and other unspecified securities products.

Unless specifically admitted in their Answer, Respondents denied the allegations made  
in the Statement of Claim and asserted the following defense: Claimant attempted to  
recoup losses suffered as a result of his own investment decisions.

**RELIEF REQUESTED**

Claimant requested compensatory damages of \$403,855.14, plus interest, costs,  
attorney's fees, punitive damages and such other relief as the arbitrators deem just.

Respondents requested that the claims be dismissed in their entirety with prejudice,  
that Claimant be required to reimburse Respondents for all defense costs and that all  
references to this matter be expunged from the Central Registration Depository ("CRD")

record of Respondent Cox.

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

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

Respondent Cox did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the arbitration panel on all issues submitted

A Stipulation to Dismiss and Expunge the Registered Representative's Record (the "Stipulation") was filed with NASD Dispute Resolution.

### **AWARD**

After considering the pleadings, the Stipulation and the record in this matter, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimant's withdrawal of his claims is accepted and Respondents are dismissed from this matter with prejudice.
- 2.) The panel recommends the expungement of all references to the above captioned arbitration from Respondent Cox's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Cox must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive
- 3.) Any relief not specifically enumerated, including Claimant's request for punitive damages, is hereby denied with prejudice.

### **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

= \$300.00

### **Adjournment Fees**

Adjournments requested during these proceedings:

No requests for adjournments for which fees were assessed were granted in this matter.

### **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	= \$1,700.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$2,750.00

### **Forum Fees and Assessments**

The 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 Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: December 17, 2002	1 session
One Pre-hearing session with the Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: August 19, 2002	1 session
Total Forum Fees	= \$1,575.00

The parties have agreed to pay forum fees as follows:

Respondent H&R Block shall pay the total forum fees in the sum of \$1,575.00.

### **Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
<u>Retained Hearing Session Deposit</u>	<u>= \$1,125.00</u>
Total Fees	= \$1,425.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$0.00

Respondent H&R Block is solely liable for:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$1,575.00</u>
Total Fees	= \$6,775.00

<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$1,575.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

Lita S. Menkin  
Harry G. Mason  
Barbara L. Guzman

Public Arbitrator, Presiding Chairperson  
Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/  
Lita S. Menkin  
Public Arbitrator-Chairperson

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

\_\_\_\_\_/S/  
Harry G. Mason  
Public Arbitrator

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

\_\_\_\_\_/S/  
Barbara L. Guzman  
Non-Public Arbitrator

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

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May 9, 2003  
Date of Service (For NASD office use only)

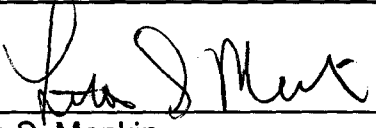
<u>Less payments</u>	<u>= \$5,200.00</u>
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Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Lita S. Menkin  
Public Arbitrator-Chairperson

4/25/03  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Harry G. Mason  
Public Arbitrator

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

\_\_\_\_\_  
Barbara L. Guzman  
Non-Public Arbitrator

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Non-Public Arbitrator

**Concurring Arbitrators' Signatures**


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Lita S. Menkin  
Public Arbitrator-Chairperson

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Signature Date

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Harry G. Mason  
Public Arbitrator

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4/28/03  
Signature Date

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Barbara L. Guzman  
Non-Public Arbitrator

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Signature Date

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Public Arbitrator-Chairperson

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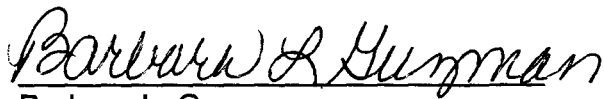
Signature Date

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Harry G. Mason  
Public Arbitrator

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Signature Date

  
Barbara L. Guzman  
Non-Public Arbitrator

5/4/03  
Signature Date

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Date of Service (For NASD office use only)