

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Carol A. Rupkey, Individually and
Carol Rupkey, Cheryl Armstrong,
Suzanne Rupkey and Christine Rupkey as
Co-Trustees of the James A. Rupkey Trust
u/a/d 4/6/98

and

Case Number: 02-04765
Hearing Site: Southfield, Michigan

Names of Respondents

H&R Block Financial Advisors, Inc.
and Victor Peretiatko

NATURE OF CASE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Carol A. Rupkey, Individually, and Carol Rupkey, Cheryl Armstrong, Suzanne Rupkey and Christine Rupkey as Co-Trustees of the James A. Rupkey Trust u/a/d 4/6/98 ("Claimants") were represented by Joseph H. Spiegel, Esq., Law Offices of Joseph H. Spiegel, P.C., Ann Arbor, Michigan.

H&R Block Financial Advisors, Inc. ("HRBFA") and Victor Peretiatko ("Peretiatko") were represented by Howard M. Klausmeier, Esq., H&R Block Financial Advisors, Inc., Detroit, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about August 16, 2002. The Submission Agreement of Claimant Carol A. Rupkey, was signed on or about May 23, 2002.

Statement of Answer was filed jointly by Respondents HRBFA and Peretiatko on or about October 2, 2002. Peretiatko signed the Submission Agreement on or about September 6, 2002.

Claimant Carol Rupkey, filed an Agreed Motion for Leave to File an Amendment to the Statement of Claim to Add the James A. Rupkey Trust u/a/d 4/6/89 and Additional Trustees. Claimants filed an Amended Statement of Claim on or about June 20, 2003.

Respondents filed an Answer to the Amended Statement of Claim on or about June 23, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: "negligence, breach of contract, breach of fiduciary duty, breach of duty, good faith and fair dealing, negligent supervision, fraud and silent fraud." The causes of action relate to Claimant's allegations that Respondents failed to "recommend and implement a program to liquidate the margin" in the account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant has failed to state a claim upon which relief may be granted, Claimant's claims are barred by the statute of frauds, Claimant's claims are barred by laches, waiver, estoppel, and ratification, and Respondents' obligations to Claimant have been fully satisfied and discharged.

RELIEF REQUESTED

Claimants requested an award in an amount over \$450,000.00, rescission, interest, exemplary damages, such other just and equitable relief as the Panel deems appropriate, costs, expenses and attorney fees.

Respondents requested that the claims asserted against them be dismissed in their entirety, that they be awarded their costs and attorneys' fees, and that Respondent Peretiatko's CRD record be expunged of all references to this matter.

OTHER ISSUES CONSIDERED & DECIDED

Respondent H&R Block Financial Advisors, Inc. did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and presented testimony at the hearing is bound by the determination of the arbitration panel on all issues submitted.

The Panel Granted Leave for Claimant Carol A. Rupkey to file an Amended Statement or Claim in its Order entered on or about June 16, 2003.

At hearing Respondents orally moved for dismissal. The Panel denied the Motion.

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 NASD Dispute Resolution ("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, H&R Block Financial Advisors, Inc., and Victor Peretiatko, are jointly and severally liable for and shall pay to Claimants, Carol A. Rupkey, Individually and Carol Rupkey, Cheryl Armstrong, Suzanne Rupkey and Christine Rupkey as Co-Trustees of the James A. Rupkey Trust u/a/d 4/6/98, the sum of \$37,500.00 in compensatory damages;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) That any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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	= \$ 300.00
Counterclaim filing fee (expungement request)	= \$ 250.00

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 H&R Block Financial Advisors, Inc.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

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 with Panel x \$1,125.00 = \$ 1,125.00

Pre-hearing conference: February 24, 2003 1 session

Three (3) Hearing sessions x \$1,125.00 = \$ 3,375.00

Hearing Dates: October 8, 2003 2 sessions

October 9, 2003 1 session

Total Forum Fees = \$ 4,500.00

The Arbitration Panel has assessed \$2,250.00 of the forum fees to Carol A. Rupkey, Individually and Carol Rupkey, Cheryl Armstrong, Suzanne Rupkey and Christine Rupkey as Co-Trustees of the James A. Rupkey Trust u/a/d 4/6/98.

The Arbitration Panel has assessed \$2,250.00 of the forum fees jointly and severally to H&R Block Financial Advisors, Inc. and Victor Peretiatko.

Fee Summary

Carol A. Rupkey, Individually and Carol Rupkey, Cheryl Armstrong, Suzanne Rupkey and Christine Rupkey as Co-Trustees of the James A. Rupkey Trust u/a/d 4/6/98, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,550.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

Respondent, H&R Block Financial Advisors, Inc., is liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, H&R Block Financial Advisors, Inc. and Victor Peretiatko, are jointly and severally liable for:

Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

Respondent, Victor Peretiatko, is solely liable for:

Counterclaim Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 250.00

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

ARBITRATION PANEL

James Patrick Graven, J.D. - Public Arbitrator, Presiding Chair
Andrew G. Young - Public Arbitrator
John G. Martin - Non-Public Arbitrator

Concurring Arbitrators:

/s/ James Patrick Graven, J.D.
James Patrick Graven, J.D.
Public Arbitrator, Presiding Chair

11/04/03
Signature Date

/s/ Andrew G. Young
Andrew G. Young
Public Arbitrator

11/04/03
Signature Date

/s/ John G. Martin
John G. Martin
Non-Public Arbitrator

11/03/03
Signature Date


11/04/03
Date of Service (For NASD office use only)

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Andrew G. Young - Public Arbitrator
John G. Martin - Non-Public Arbitrator

Concurring Arbitrators:


James Patrick Graven, J.D.
Public Arbitrator, Presiding Chair

11-4-03
Signature Date

Andrew G. Young
Public Arbitrator

Signature Date

John G. Martin
Non-Public Arbitrator

Signature Date

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James Patrick Graven, J.D.
Public Arbitrator, Presiding Chair

Signature Date

Andrew G. Young
Public Arbitrator

11/4/04
Signature Date

John G. Martin
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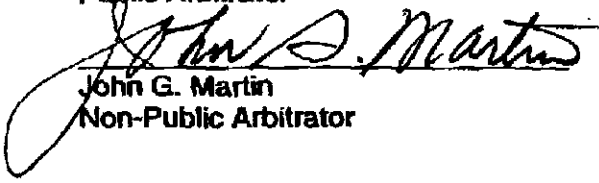
Concurring Arbitrators:

James Patrick Graven, J.D.
Public Arbitrator, Presiding Chair

Signature Date

Andrew G. Young
Public Arbitrator

Signature Date



John G. Martin
Non-Public Arbitrator

11/3/03

Signature Date

Date of Service (For NASD office use only)