

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

George and Margaret Nelson

and

Case Number: 02-05359
Hearing Site: Kansas City, MO

Names of Respondents

H&R Block Financial Advisors, Inc., and
Jason Gronski

NATURE OF CASE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

George and Margaret Nelson ("Claimants") were represented by Diane A. Nygaard, Esq., The Nygaard Law Firm, Leawood, KS.

Respondents H&R Block Financial Advisors, Inc., ("H&R Block") and Jason Gronski ("Gronski") hereinafter collectively referred to as ("Respondents") were represented by Howard M. Kausmeier, Esq., H&R Block Financial Advisors, Inc., Detroit, MI.

CASE INFORMATION

The Statement of Claim was filed on or about September 10, 2002. Claimants signed the Uniform Submission Agreement on April 21, 2002.

Respondents H&R Block and Gronski jointly filed a Statement of Answer on or about November 8, 2002.

Respondent H&R Block signed the Uniform Submission Agreement on or about October 15, 2002.

Respondent Gronski signed the Uniform Submission Agreement on or about December 9, 2002.

CASE SUMMARY

Claimants asserted the following causes of actions: breach of fiduciary duty; participation in breach of trust and in aiding and abetting a breach of fiduciary duty; conspiracy to defraud; elder abuse; negligence; failure to supervise; and violation of the Kansas Securities Act.

RELIEF REQUESTED

Claimants requested an award of approximately \$1,500,000.00 in compensatory damages, \$3,000,000.00 in punitive damages, interest at the rate of 15% per annum, plus costs, attorneys' fees and any other relief the panel deemed appropriate.

Respondents H&R Block and Gronski requested that the claims asserted against them be dismissed in their entirety with prejudice and that they be awarded reimbursement of all legal fees, costs and expenses. Respondents also requested the expungement of all references to this arbitration from Respondent Gronski's registration records maintained by the NASD Central Registration Depository (CRD).

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimants George and Margaret Nelson and Respondents H&R Block Financial Advisors, Inc., and Jason Gronski have executed a Settlement Agreement and Release.

This Stipulated Award was prepared, in part, based on a proposed award document submitted by Respondents H&R Block Financial Advisors, Inc., and Jason Gronski.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies and have agreed to receive conformed copies of the Award while the originals remain on file with the NASD Dispute Resolution ("NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimants' claims against Respondents H&R Block Financial Advisors, Inc., and Jason Gronski are hereby dismissed in their entirety with prejudice pursuant to the parties' Settlement Agreement.
- 2.) The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Jason Gronski's registration records maintained by the NASD Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Jason Gronski must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3.) Other than Forum Fees, which are specified below, the parties shall each

bear their own costs and expenses incurred in this matter.

- 4.) 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 = \$ 600.00

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	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments requested during this proceeding:

September 23 – September 25, 2003 adjournment jointly requested by Claimants George and Margaret Nelson and Respondent H&R Block Financial Advisors, Inc. = \$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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel	x \$ 1,200.00	= \$1,200.00
Pre-hearing Conference: April 23, 2003	1 session	
Total Forum Fees		= \$1,200.00

The Arbitration Panel has assessed \$400.00 of the forum fees jointly and severally to Claimants George and Margaret Nelson.

The Arbitration Panel has assessed \$400.00 of the forum fees to Respondent H&R Block Financial Advisors, Inc.

The Arbitration Panel has assessed \$400.00 of the forum fees to Respondent Jason Gronski.

Fee Summary

Claimants George and Margaret Nelson are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fees	= \$ 600.00
Forum Fees	= \$ 400.00
<u>Total Fees</u>	<u>= \$1,600.00</u>
<u>Less payments</u>	<u>= \$3,800.00</u>
Balance Refunded by NASD Dispute Resolution	= \$2,200.00

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

Forum Fees	= \$ 400.00
Adjournment Fees	= \$ 600.00
Member Fees	= \$8,550.00
<u>Total Fees</u>	<u>= \$9,550.00</u>
<u>Less payments</u>	<u>= \$9,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Jason Gronski is liable for:

Forum Fees	= \$ 400.00
<u>Total Fees</u>	<u>= \$ 400.00</u>
<u>Less payments</u>	<u>= \$ 400.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

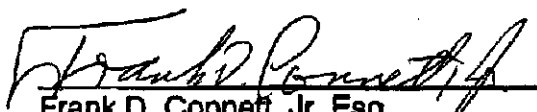
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

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ARBITRATION PANEL

Frank D. Connett, Jr. Esq. - Public Arbitrator, Presiding Chairperson
Walter N. Vernon, III, Esq. - Public Arbitrator
Elrod P. Wilson - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



Frank D. Connett, Jr. Esq.
Public Arbitrator, Presiding Chairperson

9/2/04

Signature Date

Walter N. Vernon, III, Esq.
Public Arbitrator

Signature Date

Elrod P. Wilson
Non-Public Arbitrator

Signature Date

9/29/04

Date of Service (For NASD office use only)

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Elrod P. Wilson -Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Walter N. Vernon III

Walter N. Vernon, III, Esq.
Public Arbitrator

Signature Date

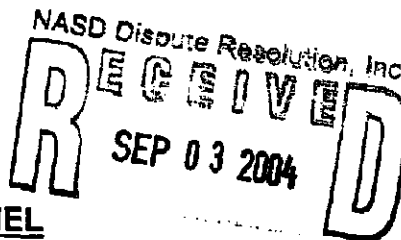
8/23/04

Signature Date

Elrod P. Wilson
Non-Public Arbitrator

Signature Date

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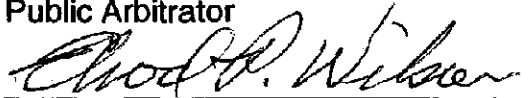
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