

**Stipulated Award  
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant(s)  
Cecilia A. Gallagher

Case Number: 02-05761

Name of the Respondent(s)  
H&R Block Financial Advisors, Inc;  
Prudential Securities, Inc.  
and Matthew Figueroa

Hearing Site: Phoenix, Arizona

**REPRESENTATION OF PARTIES**

Claimant, Cecilia A. Gallagher ("*Gallagher*"), hereinafter referred to as "Claimant": Lawrence R. Moon, Esq., *Lawrence R. Moon, P.C.*, 132 South Central Avenue, Suite 208, Phoenix, AZ 85004.

Respondents, *H&R Block Financial Advisors, Inc.* ("*HRBFA*") and *Matthew Figueroa* ("*Figueroa*"), hereinafter collectively referred to as "Respondents": Howard M. Klausmeier, Esq., *H&R Block Financial Advisors, Inc.*, 719 Griswold Street, Suite 1700, Detroit, MI 48226.

**CASE INFORMATION**

Statement of Claim filed *on or about*: September 24, 2002

Claimant, *Cecilia A. Gallagher*, signed the Uniform Submission Agreement: September 19, 2002

Statement of Answer filed by Respondents, *H&R Block Financial Advisors, Inc* and *Matthew Figueroa*, on or about: *November 29, 2002*. Respondent, *H&R Financial Advisors, Inc.*, signed the Uniform Submission Agreement: *October 8, 2002*. Respondent, *Matthew Figueroa*, signed the Uniform Submission Agreement: *December 27, 2002*

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract, unsuitability, failure to supervise, breach of fiduciary duty, violations of Arizona Securities Laws, control person liability, common law aiding and abetting liability, and negligent misrepresentation and nondisclosure.

Unless specifically admitted in its Answer, Respondents *H&R Block Financial Advisors Inc.* and *Matthew Figueroa* denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested: 1) compensatory damages of approximately \$400,000.00, 2) pre and post-judgment interest, 3) punitive damages, 4) cost and attorney fees, 5) other and further relief as may be deemed appropriate.

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Respondents requested that Arbitration Panel dismiss the Statement of Claim with prejudice, award Respondents their cost and attorneys' fees, and order that this matter be expunged from the permanent CRD record of Matthew Figueroa.

**OTHER ISSUES CONSIDERED AND DECIDED**

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated 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.

**AWARD**

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

1. Claimant's claims, each and all, are dismissed with prejudice pursuant to the parties settlement agreement,
2. The Panel recommend the expungement of all reference to the above captioned arbitration from Respondent Matthew Figueroa's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Member 99-09 and 99-54, Respondent Matthew Figueroa must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive,
3. The parties shall each bear their own costs, subject to any settlement agreement, except for those specifically not included herein, and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

**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

**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(s) are H&R Block Financial Advisors, Inc. and Prudential Securities, Inc.

Member surcharge	\$	1,700.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	<u>2,750.00</u>
<b>Total Member Fees</b>	\$	<b>5,200.00</b>

**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:

1 Pre-hearing session(s) with Panel	x	1,125.00	\$	1,125.00
	May 1, 2003	1 session		
<b>Total Forum Fees</b>			\$	<b><u>1,125.00</u></b>

The Arbitration Panel has assessed \$562.50 of the forum fees to Cecilia A. Gallagher.  
The Arbitration Panel has assessed \$281.25 of the forum fees to Prudential Securities, Inc.  
The Arbitration Panel has assessed \$281.25 of the forum fees jointly and severally to H&R Block Financial Advisors, Inc. and Matthew Figueroa.

Fee Summary

Claimant, Cecilia A. Gallagher, shall be and hereby is liable for:

<del>Initial Filing Fee</del>	= \$	<del>380.00</del>
Retained Hearing Session Deposit pursuant to Rule 10332(g)	= \$	562.50
<u>Forum Fees</u>	= \$	<u>562.50</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 Financial Advisors, Inc., shall be and hereby is liable for:

Member Fees	= \$	5,200.00
Total Fees	= \$	5,200.00
<u>Less payments</u>	= \$	<u>-5,481.25</u>
Balance applied to fees below	= \$	- 281.25

Respondent, Prudential Securities, Inc., shall be and hereby is liable for:

Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	<u>281.25</u>
Total Fees	= \$	5,481.25
<u>Less payments</u>	= \$	<u>-5,481.25</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, H&R Block Financial Advisors, Inc., and Matthew Figueroa, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	<u>281.25</u>
Total Fees	= \$	281.25
<u>Less payments</u>	= \$	<u>-281.25</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.

ARBITRATION PANEL

<i>Thomas D. Tays, Esq.</i>	-	<i>Industry Arbitrator, Presiding Chairperson</i>
<i>J. Noland Franz, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Thomas S Barsuk</i>	-	<i>Public Arbitrator</i>

Concurring Arbitrators' Signature(s)

/s/ Thomas D. Tays

*Thomas D. Tays, Esq.*  
Industry Arbitrator, Presiding Chairperson

May 27, 2004

Signature Date

/s/ J. Noland Franz

*J. Noland Franz, Esq.*  
Public Arbitrator

May 26, 2004

Signature Date

/s/ Thomas S. Barsuk

*Thomas S. Barsuk*  
Non-Public Arbitrator

May 26, 2004

Signature Date

May 28, 2004

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

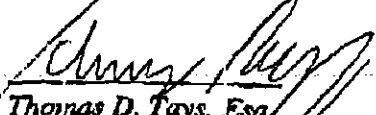
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Concurring Arbitrators' Signature(s)

  
Thomas D. Tays, Esq.  
Industry Arbitrator/Presiding Chairperson

5/27/04  
Signature Date

J. Noland Franz, Esq.  
Public Arbitrator

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

Thomas S. Barsuk  
Non-Public Arbitrator

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

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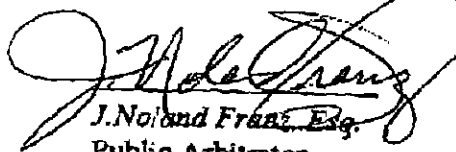
NASD Dispute Resolution

Arbitration No. 02-05761

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Concurring Arbitrators' Signature(s)Thomas D. Tays, Esq.

Industry Arbitrator, Presiding Chairperson

Signature Date  
J. Noland Franz, Esq.  
Public Arbitrator5/26/04  
Signature DateThomas S. Barsuk

Non-Public Arbitrator

Signature DateDate of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signature(s)

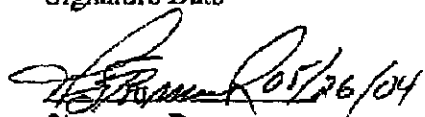
Thomas D. Tays, Esq.  
Industry Arbitrator, Presiding Chairperson

Signature Date

J. No/and Franz, Esq.  
Public Arbitrator

Signature Date

Thomas S. Barsuk  
Non-Public Arbitrator

  
Signature Date 05/26/04

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