

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

Darryl Hastings and Susan Hastings

and

Case Number: 02-06054
Hearing Site: Detroit, Michigan

Respondents

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

NATURE OF CASE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Darryl Hastings and Susan Hastings ("Claimants") were represented by Brian B. Smith, Esq., Law Offices of Alan R. Miller, Birmingham, Michigan and B. Andrew Rifkin, Esq., The Law Firm of John F. Schaefer, Birmingham, Michigan.

H&R Block Financial Advisors, Inc. f/k/a Olde Discount Corporation ("H&R Block") and James T. Falardeau ("Falardeau"), hereinafter collectively known as "Respondents", were represented by Howard M. Klausmeier, Esq., H&R Block Financial Advisors, Inc., Detroit, Michigan, and Edward A. Walton, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about October 10, 2002. The Submission Agreement of Darryl and Susan Hastings was signed on or about September 12, 2002.

The Statement of Answer was filed jointly by H&R Block and Falardeau on or about December 11, 2002. The Submission Agreement of H&R Block was signed on or about October 25, 2002. The Submission Agreement of James T. Falardeau was signed on or about November 11, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitable investment recommendations; misrepresentations and omissions, state and federal securities laws

violations, violations of NYSW Rule 405 and NASD Rules 2310, 2110 and 2120; breach of contract; common law fraud and misrepresentation; breach of fiduciary duty; negligence and negligent supervision. The causes of action related to Claimants' allegations of high margin levels in their portfolio as well as the number of unspecified speculative high-risk stocks.

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

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$34,000,000.00
Punitive Damages	Unspecified
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. Respondents also requested that this matter be expunged from the permanent CRD records of James Falardeau.

OTHER ISSUES CONSIDERED & DECIDED

Claimants, having had an opportunity to review the records and documents produced in pre-hearing discovery and to discuss the contents thereof with their counsel, stipulated and agreed with Respondents to the expungement of all reference to this arbitration from all registration records of Respondent James Falardeau. Furthermore, Claimants have agreed to withdraw and dismiss all claims with prejudice and without costs.

Prior to the hearing, the parties full 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 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 parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimants' claims, having been withdrawn, are dismissed with prejudice;
- 2.) Other than Forum Fees, which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent James T. Falardeau's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent James T. Falardeau must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby dismissed 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

Initial claim filing fee	\$ 600.00
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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	\$ 3,750.00
Pre-hearing process fee	\$ 750.00
Hearing process fee	\$ 5,500.00

Adjournment Fees

Adjournments requested during these proceedings:

November 18-21, 1003 adjournment requested by Claimants (Waived by Panel)	\$ 1,200.00
September 14-17, 2004 adjournment requested by Respondents (Waived by Panel)	\$ 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 with Panel	x \$ 1,200.00	\$ 1,200.00
Pre-hearing conference: April 3, 2003	1 session	
Total Forum Fees		\$ 1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents H&R Block and Falardeau

FEE SUMMARY

Claimants, Darryl Hastings and Susan Hastings, shall be and hereby are jointly and severally liable for:

Initial Filing Fee	\$ 600.00
Forum Fees	\$ 600.00
Total Fees	\$ 1,200.00
Less Payments	\$ 3,125.00
Refund Due from NASD Dispute Resolution	\$ 1,925.00

Respondent H&R Block is liable for:

Member Fees	\$ 10,000.00
Total Fees	\$ 10,000.00
Less Payments	\$ 10,000.00
Balance Due NASD Dispute Resolution	\$ 0.00

Respondents H&R Block and Falardeau are jointly and severally liable for:

Forum Fees	\$	300.00
Total Fees	\$	300.00
Less Payments	\$	71.50
Balance Due NASD Dispute Resolution	\$	228.50

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

ARBITRATION PANEL

Roland L. Olzark, J.D. - Public Arbitrator, Presiding Chair
Brace K. Case, Esq. - Public Arbitrator
Anthony J. Bove, III - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Roland L. Olzark, J.D.
Roland L. Olzark, J.D.
Public Arbitrator, Presiding Chair

07/29/05 (sic)
Signature Date

/s/ Brace K. Case, Esq.
Brace K. Case, Esq.
Public Arbitrator

07/27/05
Signature Date

/s/ Anthony J. Bove, III
Anthony J. Bove, III
Non-Public Arbitrator

05/27/07 (sic)
Signature Date

07/28/05
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 02-06054
Stipulated Award Page 5 of 5

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Public Arbitrator, Presiding Chair

Signature Date

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Public Arbitrator

7/27/05
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Arbitration No. 02-06054
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Signature Date

Brace K. Case, Esq.
Public Arbitrator

Signature Date



Anthony J. Bove, III
Non-Public Arbitrator

5-27-07

Signature Date

Date of Service (For NASD office use only)

FROM :

07/27/05 WED 13:41 FAX

FAX NO. :

NASD REGULATION

Mar. 10 2005 07:17AM P6

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Arbitration No. 02-08054
Solemnized Award Page 5 of 6

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