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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Dane Investments, L.L.C.

Case Number: 02-07739

Name of the Respondent  
H&R Block Financial Advisors, Inc.

Hearing Site: New Orleans, Louisiana

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Nature of the Dispute: Customer vs. Member.

**REPRESENTATION OF PARTIES**

For Dane Investments, L.L.C., hereinafter referred to as "Claimant": James E. Stovall, Esq., Law Office of James E. Stovall, Covington, Louisiana.

For H&R Block Financial Advisors, Inc. ("H&R"), hereinafter referred to as "Respondent": David T. Doyle, Assistant General Counsel, H&R, Detroit, Michigan.

**CASE INFORMATION**

Statement of Claim filed on or about: December 20, 2002.

Claimant signed the Uniform Submission Agreement: November 30, 2002.

Statement of Answer filed by Respondent on or about: February 25, 2003.

Respondent signed the Uniform Submission Agreement: January 29, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: improper use of margin; lack of diversification; lack of supervision; utilization of multiple brokers; failure to follow any generalized portfolio benchmark; complete departure from Claimant's prior investment history; violation of the Rules of Fair Practice; and over-concentration in unsuitable investments. The causes of action relate to the purchase in Claimant's account of unspecified high-tech stocks.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$4,000,000.00 (including loss of original equity, benefit of the bargain damages, excessive commissions and margin interest), costs and reasonable attorney's fees.

Respondent requested that all of the claims be dismissed and that Claimant be assessed the Respondent's defense costs and expenses incurred in defending this matter.

**OTHER ISSUES CONSIDERED AND DECIDED**

During the evidentiary hearing, Respondent objected to the admittance into evidence of Claimant's Exhibit 19, which was overruled by the Panel.

At the conclusion of the evidentiary hearing, Respondent moved for dismissal of the claim, which was denied by the Panel.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

**AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds no liability on the part of Respondent for alleged violations of the Rules of Fair Practice or Claimant's allegation of overconcentration in unsuitable investments.

All of Claimant's claims are dismissed with prejudice.

Each party shall bear their own attorneys' fees.

Any and all claims for relief not specifically addressed herein are denied.

**FEES**

Pursuant to the NASD Code of Arbitration Procedure (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
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, H&R is a member firm and a party.

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

Total Member Fees

= \$8,550.00

**Adjournment Fees**

No adjournments were requested in this matter.

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

Injunctive relief fees were not assessed in this matter.

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: August 14, 2003 1 session	

Five (5) Hearing sessions @ \$1,200.00/session	= \$6,000.00
Hearing Dates: March 9, 2004 2 sessions	
March 10, 2004 2 sessions	
March 11, 2004 1 session	

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Total Forum Fees	= \$7,200.00
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The Panel has assessed the total forum fees of \$7,200.00 to Respondent.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Total Fees	= \$ 600.00
Less Payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Arbitration No. 02-07739

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Respondent is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 7,200.00
Total Fees	= \$15,750.00
Less Payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 7,200.00

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

**ARBITRATION PANEL**

James Francis Donovan	-	Public Arbitrator, Presiding Chairperson
Kendall P. Hill	-	Public Arbitrator
Sandra J. Bakalus	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
James Francis Donovan  
Public Arbitrator, Presiding Chairperson

April 1, 2004  
Signature Date

/s/  
Kendall P. Hill  
Public Arbitrator

April 1, 2004  
Signature Date

/s/  
Sandra J. Bakalus  
Non-Public Arbitrator

April 2, 2004  
Signature Date

April 2, 2004  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
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Public Arbitrator, Presiding Chairperson  
Kendall P. Hill  
Kendall P. Hill  
Public Arbitrator

\_\_\_\_\_  
Signature Date  
4/1/04  
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Signature Date

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Non-Public Arbitrator

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