

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Randerson I. Stephens and Pamela S. Stephens

Case Number: 03-01343

Names of the Respondents

H&R Block Financial Advisors, Inc.
Chris Warren

Hearing Site: Charlotte, North Carolina

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants, Randerson I. Stephens and Pamela S. Stephens, hereinafter collectively referred to as "Claimants", were represented by Paul A. Dominick, Esq. of Nexsen, Pruet, Jacobs, Pollard & Robinson, LLC., Charleston, South Carolina.

Respondents, H&R Block Financial Inc., formerly known as OLDE Discount Corporation, ("H&R Block") and Chris Warren, ("Warren") hereinafter referred to as "Respondents" were represented by David T. Doyle, Esq., H&R Block Financial Advisors, Inc., Detroit, Michigan and A. Inge Selden III, Esq., Maynard, Cooper & Gale, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about February 19, 2003.

Claimants signed the Uniform Submission Agreement on February 15, 2003.

Statement of Answer filed by Respondents on May 29, 2003.

A representative of Respondent H&R Block signed the Uniform Submission Agreement on April 2, 2003.

Respondent Warren signed the Uniform Submission Agreement on May 8, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: fraud, unauthorized trading, breach of fiduciary duty, negligence, gross negligence, breach of contract, and failure to supervise. The causes of action relate to the purchase of unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief can be granted, statute of limitations, failure to mitigate, ratification, laches, and estoppel.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$494,000
Punitive Damages	amount unspecified
Attorneys' Fees	amount unspecified
Interest	amount unspecified
Costs	amount unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety and that an Order be entered directing the expungement of any reference to these matters from Respondent Warren's records maintained at NASD's Central Registration Depository ("CRD"). Additionally, Respondents requested that attorneys' fees, costs, and forum fees be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

On or about August 13, 2004 the parties agreed to a settlement and requested that the Arbitration Panel (the "Panel") enter a Stipulated Award in this matter.

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 parties' agreement, and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have agreed to settle this matter. Claimants withdraw all claims against both Respondents with prejudice, and therefore this action is dismissed as to both Respondents.
2. The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Warren's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Warren must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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 that employed the associated person(s) at the time of the events giving rise to the dispute. In this matter, the member firm H&R Block is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 15, 2004, adjournment by Respondents	= waived
June 16, 2004, adjournment by Respondents	= waived
June 17, 2004, adjournment by Respondents	= waived
June 18, 2004, adjournment by Respondents	= waived

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 Panel @ \$1,125	= \$1,125.00
<u>Pre-hearing conference January 16, 2003 1 session</u>	
Total Forum Fees	= \$1,125.00

1. The Panel has assessed \$562.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$562.50 of the forum fees jointly and severally to Respondents.

FEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
<u>Less payments</u>	= <u>\$1,575.00</u>
Refund owed to Claimants	= \$ 712.50

2. Respondent H&R Block is assessed and shall pay the following fees:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	= <u>\$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$.00

3. Respondents are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
<u>Less payments</u>	= <u>\$.00</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

All balances are payable to NASD Dispute Resolution

ARBITRATION PANEL

John H. Griffing	-	Public Arbitrator, Presiding Chairperson
Leonard E. Benade	-	Public Arbitrator, Panelist
Landrum H. Henderson, Jr.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



John H. Griffing
Public Arbitrator, Presiding Chairperson

1-20-05
Signature Date

Leonard E. Benade
Public Arbitrator, Panelist

Signature Date

Landrum H. Henderson
Non-Public Arbitrator, Panelist

Signature Date

January 26 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

John H. Griffing
Public Arbitrator, Presiding Chairperson

Signature Date

Leonard E. Benade
Leonard E. Benade
Public Arbitrator, Panelist

1/11/04
Signature Date

Landrum H. Henderson
Non-Public Arbitrator, Panelist

Signature Date

January 26, 2005
Date of Service (For NASD Dispute Resolution office use only)

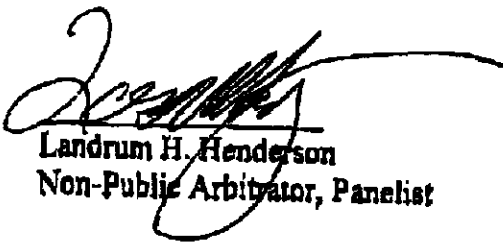
Concurring Arbitrators' Signatures

John H. Griffing
Public Arbitrator, Presiding Chairperson

Signature Date:

Leonard E. Benade
Public Arbitrator, Panelist

Signature Date:


Landrum H. Henderson
Non-Public Arbitrator, Panelist

1/7/05
Signature Date

January 26, 2005
Date of Service (For NASD Dispute Resolution office use only)