

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Dragoljub Zafirovski and
Dijana Vojnovska

and

Case Number: 03-02429
Hearing Site: Troy, Michigan

Names of Respondents

H&R Block Financial Advisors
f/k/a Olde Discount Corporation
and Michael Ervin

NATURE OF DISPUTE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Dragoljub Zafirovski and Dijana Vojnovska ("Claimants") were represented by Michael P. Marsalese, Esq., The Marsalese Law Group, PLLC, Southfield, Michigan.

H&R Block Financial Advisors f/k/a Olde Discount Corporation ("HRBFA") was represented by Howard K. Klausmeier, Esq., and David Doyle, Esq., H&R Block Financial Advisors, Detroit, Michigan.

Michael Ervin ("Ervin") was represented by Harvey Heller, Esq. and Julie Chenot Mayer, Esq., Maddin Hauser Wartell Roth & Heller, PC, Southfield, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about March 17, 2003. The Submission Agreement of Claimants Dragoljub Zafirovski and Dijana Vojnovska was signed on or about March 21, 2003.

Statement of Answer was filed jointly by Respondents HRBFA and Ervin on or about July 2, 2003. The Submission Agreement of Respondent HRBFA was signed on or about April 17, 2003, by David Andrew. The Submission Agreement of Respondent Ervin was signed on or about July 30, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violation of NASD Rules of Fair Practice; negligence, respondeat superior; breach of supervisory rules; breach of fiduciary duty; negligent misrepresentation; negligent supervision; malpractice; common law fraud; violation of 1934 Securities Exchange Act Rule 10b-5; violation of MCLA 451.501; and violation of the Michigan Uniform Securities Act 451.810. The causes of action related to Claimants' allegations that Respondents failed to follow Claimants' investment instructions and encouraged Claimants to open a margin account and trade on margin without disclosing the risks of margin trading to Claimants. Claimants further asserted that Respondents recommended unsuitable investment strategies involving margin trading in various securities including Home Depot, Chrysler, AOL and Volvo.

Unless specifically admitted in their Answer, Respondents HRBFA and Ervin denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants have failed to state a claim upon which relief can be granted; Claimants' claims are barred by laches, waiver, estoppel and ratification; Respondents' obligations to the Claimants have been fully satisfied and discharged; Claimants assumed the risk of their investment transactions and the investment losses incurred; and economic, industry, corporate and market conditions, and not Respondents, were responsible for any of Claimants' alleged losses.

RELIEF REQUESTED

Claimants requested an award in the amount of \$1,326,568 in out-of-pocket losses, plus interest, costs, attorney fees, exemplary damages of approximately \$1,000,000.00, and any other relief the panel deemed appropriate.

Respondents HRBFA and Ervin requested that the claims asserted against them be denied in their entirety, that they be awarded their costs and attorneys' fees, and that the panel order this matter expunged from Respondent Ervin's CRD record.

OTHER ISSUES CONSIDERED & DECIDED

The panel allowed each party to have a language interpreter present during the hearing.

At the conclusion of Claimant's case in chief, Respondent HRBFA moved to dismiss. Respondent Ervin joined in the motion. The panel took the motion under advisement. After Respondent Ervin presented his case in chief, the panel granted the motion to dismiss as to both Respondents on the record.

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 NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are denied and 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 Michael Ervin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Michael Ervin 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 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 = \$ 500.00

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 f/k/a Olde Discount Corporation.

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

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: November 18, 2003	1 session
Four (4) Hearing sessions x \$1,200.00	= \$ 4,800.00
Hearing Dates: June 28, 2004	2 sessions
June 29, 2004	2 sessions
Total Forum Fees	= \$ 6,000.00

The Arbitration Panel has assessed \$3,000.00 of the forum fees jointly and severally to Dragoljub Zafirovski and Dijana Vojnovska.

The Arbitration Panel has assessed \$3,000.00 of the forum fees to H&R Block Financial Advisors f/k/a Olde Discount Corporation.

Fee Summary

Claimants, Dragoljub Zafirovski and Dijana Vojnovska, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 3,000.00
Total Fees	= \$ 3,500.00
Less payments	= \$ 1,825.00
Balance Due NASD Dispute Resolution	= \$ 1,675.00

Respondent, H&R Block Financial Advisors f/k/a Olde Discount Corporation, is liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,000.00
Total Fees	= \$11,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00

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

ARBITRATION PANEL

Burton L. Ansell, Esq. - Public Arbitrator, Presiding Chair
Terrance J. Dorcy - Public Arbitrator
Joseph R. Papo - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Burton L. Ansell
Burton L. Ansell, Esq.
Public Arbitrator, Presiding Chair

06/30/04
Signature Date

/s/ Terrance J. Dorcy
Terrance J. Dorcy
Public Arbitrator

07/01/04
Signature Date

/s/ Joseph R. Papo
Joseph R. Papo
Non-Public Arbitrator

07/01/04
Signature Date

07/01/04
Date of Service (For NASD office use only)

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Terrance J. Dorcy - Public Arbitrator
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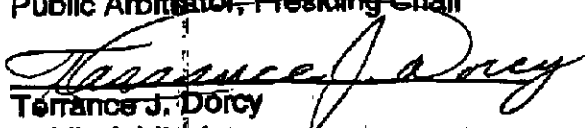
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Signature Date


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Public Arbitrator


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