

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Mark A. Leach and Jana P. Leach

and

Case Number: 03-03707
Hearing Site: Chicago, Illinois

Names of Respondents

H&R Block Financial Advisors, Inc.
and Ronald J. Marszalek

Consolidated with:

Names of Claimants

Robert W. Pittan and Barbara J. Pittan

and

Case Number: 03-07120
Hearing Site: Chicago, Illinois

H&R Block Financial Advisors, Inc.
and Ronald J. Marszalek

NATURE OF DISPUTE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Robert W. Pittan, Barbara J. Pittan, Mark A. Leach, and Jana P. Leach ("**Claimants**") were represented by Christopher D. Oakes, Esq., Cox, Oakes & Associates, LTD, Northbrook, Illinois.

H&R Block Financial Advisors, Inc., ("**H&R Block**") and Ronald J. Marszalek ("**Marszalek**"), hereinafter collectively referred to as "Respondents," were represented by Ronald P. Kane, Esq., Kane & Fischer, Ltd, Chicago, Illinois.

CASE INFORMATION

03-03707

Claimants, Mark A. Leach and Jana P. Leach, filed their Statement of Claim on or about May 27, 2003. The Submission Agreements of Claimants were signed on or about May 7, 2003.

The Statement of Answer was filed jointly by Respondents, H &R Block and Marszalek, on or about August 8, 2006. Respondent, H&R Block, signed a Submission Agreement on or

about June 6, 2003. Respondent, Marszalek, signed a Submission Agreement on or about July 24, 2003.

03-07120:

Claimants, Robert W. Pittan and Barbara J. Pittan filed their Statement of Claim on or about October 1, 2003. The Submission Agreements of Claimants were signed on or about September 25, 2003.

The Statement of Answer was filed jointly by Respondents, H & R Block and Marszalek, on or about November 3, 2003. The Submission Agreement of Respondent, H & R Block, was signed on or about November 3, 2003. The Submission Agreement of Marszalek was signed on or about November 29, 2003.

CASE SUMMARY

Claimants, Mark A. Leach and Jana P. Leach, alleged the following causes of action: churning, unauthorized trading, investments in unsuitable securities; violation of Erisa; failure to execute customer instructions to liquidate account. The causes of action related to the sale of shares of stock Legato Systems, Inc. and Trading in Tellabs Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses including the following: Claimants were aggressive risk investors; Claimants were knowledgeable investors; Respondents fully disclosed the risks of the investments; and Respondents acted in full accordance with their suitability duties and responsibilities.

Claimants, Robert W. Pittan and Barbara J. Pittan, asserted the following causes of action: churning, unauthorized trading, investments in unsuitable securities; violation of Erisa; and failure to execute customer instructions to liquidate their account. The causes of action related to the sale of shares of stock Legato Systems, Inc. and PMC Sierra, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses including the following: Claimants were aggressive risk investors; Claimants were knowledgeable investors; Respondents fully disclosed the risks of the investments; and Respondents acted in full accordance with their suitability duties and responsibilities.

RELIEF REQUESTED

Claimants, Mark A. Leach and Jana P. Leach, requested an award in the amount of \$579,489.00 in compensatory damages, \$400,000.00 in punitive damages, an unspecified amount for interest, attorneys' fees, other costs and other monetary relief.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

Claimants, Robert W. Pittan and Barbara J. Pittan, requested an award in the amount of \$423,823.67 in compensatory damages, \$400,000 in punitive damages, an unspecified amount for interest, attorneys' fees, other costs and other monetary relief.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties filed a Joint Motion to Consolidate on May 5, 2004. The Panel in the Master case granted the Motion to Consolidate on or about May 26, 2004.

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

- 1.) Claimants' claims, each and all, are hereby 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, Ronald J. Marszalek's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Ronald J. Marszalek, 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 denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fees for each claim:

Initial claim filing fee: 03-03707	= \$ 375.00
Initial claim filing fee: 03-07120	= \$ 375.00

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.

03-03707

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

03-07120

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Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

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 arbitrators, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

03-03707

One (1) Pre-hearing conference with the Panel x \$ 1,200.00	= \$1,200.00
Pre-hearing conference: January 22, 2004 1 session	
Total Forum Fees	= \$ 1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants, Mark A. Leach and Jana P. Leach.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents, H&R Block and Ronald J. Marszalek.

03-07120

One (1) Pre-hearing session with the Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: May 13, 2004	1 session
Total Forum Fees	= \$1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants Robert A. Pittan and Barbara J. Pittan.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to H&R Block and Ronald J. Marszalek.

Fee Summary

03-03707

Claimants, Mark A. Leach and Jana P. Leach, are jointly and severally liable for:

Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$ 1,158.12
Balance Refunded by NASD Dispute Resolution	= \$ 183.12

Respondent, H&R Block, is liable for:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due to NASD Dispute Resolution	= \$ 0.00

Respondents, H&R Block and Ronald J. Marszalek, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 1,591.25
Balance Refunded by NASD Dispute Resolution	= \$ 991.25

03-07120

Claimants, Robert W. Pittan and Barbara J. Pittan, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$ 1,158.12
Balance Refunded by NASD Dispute Resolution	= \$ 183.12

Respondent, H&R Block, is liable for:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, H&R Block and Ronald J. Marszalek, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
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

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair

Larry Carlson, Esq. - Public Arbitrator

Michael S. Gregory - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Thomas F. Mahoney, Esq.
Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

January 3, 2006
Signature Date

/s/ Larry Carlson, Esq.
Larry Carlson, Esq.
Public Arbitrator

December 29, 2005
Signature Date

/s/ Michael S. Gregory
Michael S. Gregory
Non-Public Arbitrator

January 3, 2006
Signature Date

January 3, 2006
Date of Service (For NASD office use only)

Respondent, H&R Block, is liable for:

<u>Member Fees</u>	= \$ 7,000.00
<u>Total Fees</u>	= \$ 7,000.00
<u>Less payments</u>	= \$ 7,000.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents, H&R Block and Ronald J. Marszalek, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 600.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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Larry Carlson, Esq. - Public Arbitrator
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Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

3 JAN 06
Signature Date

Larry Carlson, Esq.
Larry Carlson, Esq.
Public Arbitrator

Signature Date

Michael S. Gregory
Michael S. Gregory
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date



Larry Carlson, Esq.
Public Arbitrator

29 DEC 05

Signature Date

Michael S. Gregory
Non-Public Arbitrator

Signature Date

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Respondents, H&R Block and Ronald J. Marszalek, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
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Larry Carlson, Esq. - Public Arbitrator
Michael S. Gregory - Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Larry Carlson, Esq.
Public Arbitrator

Signature Date

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Signature Date

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