

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

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In the Matter of the Arbitration Between:

H&R Block Financial Advisors, Inc., Claimant v. Kevin M. Reed, Respondent

Case Number: 03-05742

Hearing Site: Los Angeles, California

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Nature of the Dispute: Member v. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Timothy N. Will, Esq.  
& Will, LLP  
Los Angeles, California

For Respondent:

16  
Opria Persona

**CASE INFORMATION**

Statement of Claim filed: July 31, 2003

Claimant's Uniform Submission Agreement signed: July 30, 2003

Statement of Answer filed by Respondent: on or about June 18, 2004

Respondent's Uniform Submission Agreement signed: May 30, 2004

**CASE SUMMARY**

Claimant alleged breach of a promissory note.

Unless specifically admitted in his Answer, Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

Claimant requested \$40,000.00 in compensatory damages, interest accruing during the term of the promissory note at the contract rate, interest on the balance due under the promissory note at the applicable federal rate from May 3, 2002 to the date of payment, and costs, including attorney's fees.

Respondent requested a fair ruling on the Statement of Claim.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On March 2, 2004, Claimant's counsel signed a Waiver Agreement on their behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On May 30, 2004, Respondent signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

The parties agreed that a handwritten, signed Award may be entered.

### **STIPULATION**

1. It is hereby stipulated and agreed by and between Claimant, H&R Block Financial Advisors, Inc. ("HRBFA") on the one hand, and Respondent, Kevin M. Reed, ("Reed"), on the other hand, that each of them submit to the jurisdiction of the NASD Dispute Resolution for purposes of this Stipulated Award.
2. It is further stipulated and agreed by and between HRBFA, on the one hand, and Reed, on the other hand, that an NASD Dispute Resolution Award in the amount of Forty-Six Thousand Seven Hundred Twenty Dollars (\$46,720.00) plus interest at the rate of 7% per annum from the date the Stipulated Award is signed by the Arbitrators until fully paid, shall be entered in favor of HRBFA and against Reed (the "Stipulated Award"), and that such Award may be immediately signed by the Arbitrators.

3. It is further stipulated and agreed that all fees and costs assessed against either HRBFA or Reed by the NASD shall be assessed against Respondent Reed.
4. Wherefore, HRBFA and Reed request that the NASD Dispute Resolution Arbitrators sign an NASD Dispute Resolution Award in favor of HRBFA and against Reed in the amount of Forty-Six Thousand Seven Hundred Twenty Dollars (\$46,720.00) plus interest at the rate of 7% per annum from the date the Stipulated Award is signed by the Arbitrators until fully paid, with all fees and costs assessed against Respondent Reed.

### AWARD

After considering the pleadings and the Parties' request for this Stipulated Award, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondent have entered into a confidential settlement agreement.
2. Respondent is liable to and shall pay Claimant \$46,720.00 in compensatory damages.
3. Respondent is liable to and shall pay Claimant interest at the rate of 7% per annum on \$46,720.00 from the date the Stipulated Award is signed by the Arbitrator until payment of this Stipulated Award is made in full.
4. Except as stipulated by the parties, the parties shall bear their respective costs, including attorney's fees.
5. All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

|                          |               |
|--------------------------|---------------|
| Initial claim filing fee | = \$ 1,000.00 |
|--------------------------|---------------|

#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm H&R Block Financial Advisors, Inc. is a party and the following fees are assessed:

|                            |                      |
|----------------------------|----------------------|
| Member Surcharge           | = \$ 875.00          |
| Pre-Hearing Process Fee    | = \$ 750.00          |
| <u>Hearing Process Fee</u> | <u>= \$ 1,000.00</u> |
| <b>Total Member Fees</b>   | <b>= \$ 2,625.00</b> |

#### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

|   |             |
|---|-------------|
| Settlement during November 2-3, 2004 hearing dates: | = \$ 100.00 |
|---|-------------|

The parties stipulated that \$100.00 of the 3-day cancellation fee is assessed to Respondent.

#### **Forum Fees and Assessments**

The Arbitrator assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Arbitrator. The following fees are assessed:

|   |             |
|---|-------------|
| 1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session | = \$ 450.00 |
| Pre-hearing conference: May 20, 2004 1 session                                |             |

|                                      |             |
|--------------------------------------|-------------|
| 1 Hearing session @ \$450.00/session | = \$ 450.00 |
| Hearing: November 2, 2004 1 session  |             |

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|                         |                    |
|-------------------------|--------------------|
| <b>Total Forum Fees</b> | <b>= \$ 900.00</b> |
|-------------------------|--------------------|

The parties stipulated that \$900.00 of the forum fees are assessed to Respondent.

**Fee Summary**

1. Claimant is charged with the following fees and costs:

|                            |                       |
|----------------------------|-----------------------|
| Initial Filing Fee         | = \$ 1,000.00         |
| Member Fees                | = \$ 2,625.00         |
| Total Fees                 | = \$ 3,625.00         |
| Less payments              | = \$(5,075.00)        |
| <b>Refund Due Claimant</b> | <b>= \$(1,450.00)</b> |

2. Respondent is charged with the following fees and costs:

|  |                      |
|--|----------------------|
| Forum Fees                                 | = \$ 900.00          |
| Three-Day Cancellation Fee                 | = \$ 100.00          |
| Total Fees                                 | = \$ 1,000.00        |
| Less payments                              | = \$( 0.00)          |
| <b>Balance Due NASD Dispute Resolution</b> | <b>= \$ 1,000.00</b> |

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

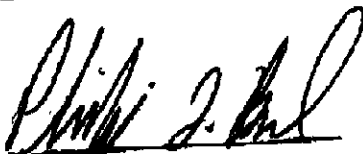
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Arbitration No. 03-05742  
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**ARBITRATOR**

Phillip L. Bosl, Esq.

Non-Public Arbitrator, Presiding Chair

**Arbitrator's Signature**



Phillip L. Bosl, Esq.  
Chair, Non-Public Arbitrator

November 12, 2004  
Signature Date

11/16/04  
Date of Service

BEFORE THE  
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

H&R BLOCK FINANCIAL ADVISORS, INC.,

Claimant,

v.

KEVIN M. REED,

Respondent.

CASE NO. 03-05742

STIPULATION TO ENTER AWARD IN  
FAVOR OF CLAIMANT

STIPULATION TO ENTER AWARD IN FAVOR OF CLAIMANT

IT IS HEREBY STIPULATED AND AGREED by and between claimant, H&R Block Financial Advisors, Inc. ("HRBFA") on the one hand, and Respondent, Kevin M. Reed, ("Reed"), on the other hand, that each of them submit to the jurisdiction of the NASD Dispute Resolution, Inc. for purposes of this Stipulation to Enter Award in Favor of Claimant HRBFA and the Stipulated Award referred to below.

IT IS FURTHER STIPULATED AND AGREED by and between HRBFA, on the one hand, and Reed, on the other hand, that an NASD Dispute Resolution, Inc., Award in the Amount of Forty-Six Thousand Seven Hundred Twenty Dollars (\$46,720) plus interest from the date the Stipulated Award is signed by the Arbitrators, shall be entered in favor of HRBFA and against Reed, (the "Stipulated Award") and that such Award may be immediately signed by the arbitrators.

*at the rate of 7% per annum  
until fully paid Kevin M. Reed*

IT IS FURTHER STIPULATED AND AGREED that all fees and costs assessed against either HRBFA or Reed by the National Association of Securities Dealers, Inc. shall be

assessed against Respondent Reed.

WHEREFORE, HRBFA and Reed request that the NASD Dispute Resolution, Inc. Arbitrators sign an NASD Dispute Resolution, Inc. Award in favor of HRBFA and against Reed in the amount of Forty-Six Thousand Seven Hundred Twenty Dollars (\$46,720) plus interest from the date the Stipulated Award is signed by the Arbitrators, with all fees and costs assessed against Respondent Reed.

H&R Block Financial Advisors, Inc.

By: Charles C. Andrews  
Its Attorney-in-Fact

at the rate of  
7% per annum  
until fully paid  
Kevin M. Reed  
1/31/04

Dated: \_\_\_\_\_

Kevin M. Reed  
Kevin M. Reed

Dated: Nov 1, 2004



**Stipulated Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

H&R BLOCK FINANCIAL ADVISORS, INC., Claimant v. KEVIN M. REED, Respondent(s)

Case Number: 03-05742

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

Claimant, H&R Block Financial Advisors, Inc. ("HRBFA") hereinafter referred to as "Claimant": Timothy N. Will, Esq., Albert & Will, LLP, Torrance, CA.

Respondent Kevin M. Reed, acting in pro per.

**CASE INFORMATION**

Statement of Claim filed on or about: July 31, 2003

Claimant HRBFA signed the Uniform Submission Agreement: June 30, 2003

Statement of Answer filed by Respondent Reed on or about: June 18, 2004

Respondent Reed signed the Uniform Submission Agreement: \_\_\_\_\_

**CASE SUMMARY**

Claimant(s) asserted the following causes of action: Breach of Promissory Note. The causes of action do not relate to stocks.

Unless specifically admitted in its Answer, Respondent denied the allegations of wrongdoing set forth in the Statement of Claim.

**RELIEF REQUESTED**

Claimant(s) requested in \$40,000 for breach of Promissory Note, plus interest, costs, and attorneys fees.

Respondent requested a fair ruling on the Statement of Claim in its entirety.

NASD Dispute Resolution, Inc.  
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### OTHER ISSUES CONSIDERED AND DECIDED

There was no service issue related to the named Respondent.

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

### AWARD

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

IT IS AGREED by and between HRBFA, on the one hand, and Reed, on the other hand, by their signatures below, and IT IS HEREBY ORDERED BY THE PANEL, that this Stipulated Award shall be entered in favor of H&R Block Financial Advisors, Inc. and against Kevin M. Reed in the amount of Forty-Six Thousand Seven Hundred Twenty Dollars (\$46,720.00), in accordance with the Stipulation to Enter Award In Favor Of Claimant that was signed by both Claimant HRBFA and Respondent Reed.

*Plus interest at the rate of  
 7% per annum from the  
 date this Stipulated Award  
 is signed by the Arbitrator,  
 until fully paid,*

Pursuant to the Code, the following fees are assessed:

#### Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee

= \$ \_\_\_\_\_

#### 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm Raymond James Associates is a party.

Member Surcharge

= \$ \_\_\_\_\_

Pre-Hearing Process Fee

= \$ \_\_\_\_\_

Hearing Process Fee

= \$ \_\_\_\_\_

Total Member Fees

= \$ \_\_\_\_\_

NASD Dispute Resolution, Inc.  
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### Forum Fees and Assessments

The 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 arbitrators, that lasts four (4) hours or less. Forum fees associated with these proceedings are:

(1) Pre-hearing conference session with the Panel @ \$ \_\_\_\_\_ session = \$ \_\_\_\_\_  
 Initial Pre-hearing conference: Date: May 20, 2004 one session  
 (1) Pre-hearing conference session with Chairperson @ \$ \_\_\_\_\_ session = \$ \_\_\_\_\_  
 Initial Pre-hearing conference: Date: \_\_\_\_\_ one session

Total Forum Fees = \$ \_\_\_\_\_

1. The Panel has assessed all of the forum fees against Respondent Kevin M. Reed.

### Fee Summary

1. Claimant be and hereby is jointly and severally liable for:

|  |            |
|--|------------|
| Initial Filing Fee                                     | = \$ _____ |
| Forum Fees   | = \$ _____ |
| Total Fees   | = \$ _____ |
| Less payments  | = \$ _____ |
| NASD Dispute Resolution, Inc. shall refund to Claimant | = \$ _____ |

2. Respondent Kevin M. Reed be and is hereby solely liable for:

|   |            |
|---|------------|
| _____ Fee                                 | = \$ _____ |
| Total Fees                                | = \$ _____ |
| Less payments                             | = \$ _____ |
| Balance Due NASD Dispute Resolution, Inc. | = \$ _____ |

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NASD Dispute Resolution, Inc.  
Arbitration No. 03-05742  
Stipulated Award Page 4 of 7

### Parties' Signatures

H&amp;R Block Financial Advisors, Inc.

By: David P. Audger  
Its: SA & General Counsel  
Claimant

November 2, 2004  
Signature Date

Ken M. Reed

**Kevin M. Reed**  
Respondent

Nov. 1, 2004  
Signature Date

### **ARBITRATION PANEL**

**Phillip L. Bosl, Esq.**

Public Arbitrator, Presiding Chair

Date of Service (For NASD office use only)