
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Joan Ann Connell

Case Number: 04-01873

Name of the Respondent
H&R Block Financial Advisors Incorporated

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Joan Ann Connell, hereinafter referred to as "Claimant": Frederick C. Kramer, Esq., Law Offices of Frederick C. Kramer, Marco Island, Florida.

For H&R Block Financial Advisors Incorporated, hereinafter referred to as "Respondent": Howard M. Klausmeier, Esq., H&R Financial Advisors, Detroit, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: March 17, 2004.

Claimant signed the Uniform Submission Agreement: February 23, 2004.

Statement of Answer filed by Respondent on or about: May 11, 2004.

Respondent signed the Uniform Submission Agreement: April 2, 2004.

CASE SUMMARY

Claimant asserted the cause of action of suitability. The cause of action relates to the purchase and sale of various stocks in Claimant's account, including, but not limited to, AOL Time Warner Inc., Compuware Corp., Harmonic Inc., Intel Corp., Motorola, Medtronic Inc., Lucent Technologies Inc., Nortel Networks, Oracle Corp. and Sun Microsystems Inc.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$713,000.00, interest, costs and attorney's fees.

Respondent requested that the Statement of Claim be dismissed, with prejudice, and an award of costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 6, 2005, Claimant submitted a pre-hearing brief to the Panel, wherein Claimant withdrew her request for attorney's fees.

During the final hearing for this matter, Respondent made two ore tenus motions for a directed verdict. The Panel *denied* both motions. In addition, *after resting her case and before Respondent began presentation of its case*, Claimant made a motion to reopen her case. The Panel granted this motion.

The final determination of this matter was based solely on the issue of suitability, which was the only cause of action pled within the Statement of Claim and argued at the hearing.

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

AWARD

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

Respondent is found not liable and Claimant's claim is denied in its entirety.

Any and all claims for relief not specifically addressed herein, including Respondent's request for attorney's fees, 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 | = \$ 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. Accordingly, Respondent is a party to this dispute and was a member of NASD at the time the following fees were assessed:

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

Adjournment Fees

No requests for adjournments were filed in this matter.

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:

No cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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. Fees associated with these proceedings are:

| | |
|---|--------------|
| One (1) Pre-hearing session with the Panel @ \$1,200.00 | = \$1,200.00 |
| Pre-hearing conference: July 23, 2004 1 session | |
| Four (4) Hearing sessions with the Panel @ \$1,200.00 | = \$4,800.00 |
| Hearing Dates: January 25, 2005 2 sessions | |
| January 26, 2005 2 sessions | |
| Total Forum Fees | = \$6,000.00 |

The Panel has assessed \$3,000.00 of the forum fees to Claimant.

The Panel has assessed \$3,000.00 of the forum fees 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.

Administrative costs were incurred during this proceeding.

July 23, 2004 – incurred by Respondent for returned check charge = \$ 15.00

Fee Summary

Claimant is solely liable for:

| | |
|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 375.00 |
| Forum Fees | = \$ 3,000.00 |
| Total Fees | = \$ 3,375.00 |
| Less payments | = \$ 1,700.00 |
| Balance Due NASD Dispute Resolution | = \$ 1,675.00 |

Respondent is solely liable for:

| | |
|-------------------------------------|----------------|
| Administrative Fee | = \$ 15.00 |
| Member Fees | = \$ 7000.00 |
| Forum Fees | = \$ 3,000.00 |
| Total Fees | = \$ 10,015.00 |
| Less payments | = \$ 7,000.00 |
| Balance Due NASD Dispute Resolution | = \$ 3,015.00 |

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

ARBITRATION PANEL

| | | |
|------------------------------------|---|---|
| <i>Philip Harris</i> | - | <i>Public Arbitrator, Presiding Chairperson</i> |
| <i>Bonnie L. Roddenberry, Esq.</i> | - | <i>Public Arbitrator</i> |
| <i>Paul A. Holmes</i> | - | <i>Non-Public Arbitrator</i> |

Concurring Arbitrators' Signatures

/s/
Philip Harris
Public Arbitrator, Presiding Chairperson

01/27/05
Signature Date

/s/
Bonnie L. Roddenberry, Esq.
Public Arbitrator

01/28/05
Signature Date

/s/
Paul A. Holmes
Non-Public Arbitrator

01/27/05
Signature Date

01/28/05
Date of Service (For NASD Dispute Resolution office use only)

Jan. 27, 2005 4:21PM NASD

No. 0940 P. 5/5

NASD Dispute Resolution
Arbitration No. 04-01873
Award Page 4

Respondent is solely liable for:

| | |
|-------------------------------------|----------------|
| Administrative Fee | = \$ 15.00 |
| Member Fees | = \$ 7000.00 |
| Forum Fees | = \$ 3,000.00 |
| Total Fees | = \$ 10,015.00 |
| Less payments | = \$ 7,000.00 |
| Balance Due NASD Dispute Resolution | = \$ 3,015.00 |

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ARBITRATION PANEL*Philip Harris**Bonnie L. Roddenberry, Esq.**Paul A. Holmes**Public Arbitrator, Presiding Chairperson**Public Arbitrator**Non-Public Arbitrator***Concurring Arbitrators' Signatures***Philip Harris*
1/27/05

Philip Harris

Public Arbitrator, Presiding Chairperson

1/27/05
Signature Date1/27/05
Bonnie L. Roddenberry, Esq.
Public Arbitrator

Signature Date

1/27/05
Paul A. Holmes
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution
Arbitration No.04-01873
Award Page 4

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| Forum Fees | = \$ 3,000.00 |
| Total Fees | = \$ 10,015.00 |
| Less payments | = \$ 7,000.00 |
| Balance Due NASD Dispute Resolution | = \$ 3,015.00 |

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| <i>Paul A. Holmes</i> | - | <i>Non-Public Arbitrator</i> |

Concurring Arbitrators' Signatures

Is/
 Philip Harris
 Public Arbitrator, Presiding Chairperson

Signature Date

Bonnie L. Roddenberry
Is/

Bonnie L. Roddenberry, Esq.
 Public Arbitrator

1-28-05
Signature Date

Is/
 Paul A. Holmes
 Non-Public Arbitrator

Signature Date

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

Jan. 27. 2005 4:18PM NASD

No. 8939 P. 5

NASD Dispute Resolution
Arbitration No.04-01873
Award Page 4

Respondent is solely liable for:

| | |
|-------------------------------------|----------------------|
| Administrative Fee | = \$ 15.00 |
| Member Fees | = \$ 7000.00 |
| <u>Forum Fees</u> | <u>= \$ 3,000.00</u> |
| Total Fees | = \$ 10,015.00 |
| <u>Less payments</u> | <u>= \$ 7,000.00</u> |
| Balance Due NASD Dispute Resolution | = \$ 3,015.00 |

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| <i>Paul A. Holmes</i> | - | <i>Non-Public Arbitrator</i> |


Concurring Arbitrators' Signatures

/s/
Philip Harris
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Bonnie L. Roddenberry, Esq.
Public Arbitrator

Signature Date


Paul A. Holmes
Non-Public Arbitrator

Signature Date

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