

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jack E. McClain and Denise McClain (Claimants) v. H&R Block Financial Advisors, Inc. and Stephen D. Putinski (Respondents)

Case Number: 04-04133

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimants, Jack E. McClain ("J. McClain") and Denise McClain ("J. McClain"), hereinafter collectively referred to as "Claimants": James S. Jones, Esq., James S. Jones, L.P.A., Poland, OH.

Respondents, H&R Block Financial Advisors, Inc. ("H&R") and Stephen D. Putinski ("Putinski"), hereinafter collectively referred to as "Respondents": Robert N. Rapp, Esq., Calfee, Halter & Griswold, LLP, Cleveland, OH.

CASE INFORMATION

Statement of Claim filed on or about: June 8, 2004

Claimants signed the Uniform Submission Agreement: June 8, 2004

Joint Statement of Answer filed by Respondents on or about: August 5, 2004

Respondent, H&R, signed the Uniform Submission Agreement: July 2, 2004

Respondent, Putinski, signed the Uniform Submission Agreement: July 26, 2004

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trading; suitability; breach of fiduciary duty; omission of facts; negligence and failure to supervise. The causes of action relate to various common stocks.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$80,000.00, plus punitive damages in the amount of \$400,000.00, attorneys' fees, costs of this arbitration and any other relief the arbitrators deem just and proper.

Respondents requested that Claimants claims be denied in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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.

AWARD

After considering the pleadings, 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:

1. Respondents are jointly and severally liable and shall pay to the Claimants \$7,000.00 in compensatory damages.
2. Claimant's are jointly and severally liable and shall pay to Respondents \$1,300.30 pursuant to attorney Robert N. Rapp's May 31, 2005 affidavit concerning fees and expenses incurred by the cancellation of the May 25, 2005 hearing.
3. Any and all relief not specifically addressed herein is denied.

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 at the time of the events giving rise to the dispute. Accordingly, H&R 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

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 a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: February 24, 2004 1 session

Three (3) Pre-hearing sessions with Panel @ \$1,125.00/session = \$3,375.00
Pre-hearing conferences: October 14, 2004 1 session
May 6, 2005 1 session
September 6, 2005 1 session

Nine (9) Hearing sessions @ \$1,125.00 = \$10,125.00
Hearing Dates: March 15, 2005 2 sessions
March 16, 2005 3 sessions
March 17, 2005 1 session
May 25, 2005 1 session
October 10, 2005 2 sessions

Total Forum Fees = \$13,950.00

1. The Panel has assessed \$7,537.50 of the forum fees jointly and severally to the Claimants.
2. The Panel has assessed \$6,412.50 of the forum fees jointly and severally to the Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 7,537.50
Total Fees	= \$ 7,837.50
<u>Less payments</u>	= \$ 1,125.00
Balance Due NASD Dispute Resolution	= \$ 6,712.50

2. Respondent, H&R, is solely liable for:

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

3. Respondents H & R and Putinski are, jointly and severally, liable for:

<u>Forum Type</u>	= \$6,412.50
Balance Due NASD Dispute Resolution	= \$6,412.50

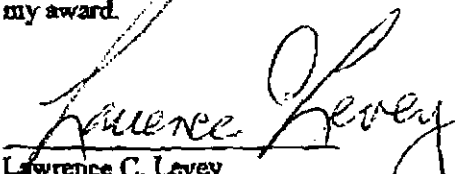
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lawrence C. Levey	-	Public Arbitrator, Presiding Chairperson
Michael L. King, J.D.	-	Public Arbitrator
Marilyn E. Pierson, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.


Lawrence C. Levey
Public Arbitrator, Presiding Chairperson

11/21/05
Signature Date


Richard M. Spector, Esq.
Public Arbitrator

Signature Date


Marilyn E. Pierson, CFP
Non-Public Arbitrator

Signature Date

NOVEMBER 10, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

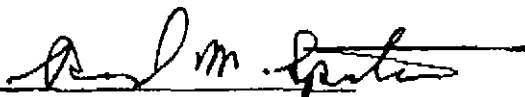
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Public Arbitrator, Presiding Chairperson

Signature Date



Richard M. Spector, Esq.
Public Arbitrator

Nov 10, 2005

Signature Date

Marilyn E. Pierson, CFP
Non-Public Arbitrator

Signature Date

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Signature Date

Richard M. Spector, Esq.
Public Arbitrator

Signature Date

Marilyn E. Pierson CFP
Marilyn E. Pierson, CFP
Non-Public Arbitrator

11/10/05
Signature Date

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