

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

Robert Spooner and Marlene Spooner

and

Case Number: 05-01920
Hearing Site: Detroit, Michigan

Respondent

H&R Block Financial Advisors, Inc.

NATURE OF DISPUTE

Customers v. Member

REPRESENTATION OF PARTIES

Robert Spooner and Marlene Spooner ("Claimants") were represented by Richard I. Lippitt, Esq., Richard I. Lippitt, P.C., Milford, Michigan.

H&R Block Financial Advisors, Inc. ("Respondent") was represented by Donald P. Wray, Jr., H&R Block Financial Advisors, Inc., Detroit, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about April 12, 2005. The Submission Agreement of Robert Spooner and Marlene Spooner was signed on or about March 12, 2005. A Statement of Answer was filed by Claimants on or about June 22, 2005.

The Statement of Answer was filed by Respondent on or about July 11, 2006. The Submission Agreement of Respondent was signed on or about June 2, 2005, by David C. Andrew.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trades, misconduct, and failure to execute buy and sell orders. The causes of action related to the alleged improper purchase and sale of securities including Pfizer, Cisco, Intel, and Microsoft by Respondent through its registered representative, Joseph Sheeran. Claimants asserted that Respondent employed margin in one of Claimants' accounts, when Claimants advised that they did not want a margin account. Claimants further asserted that Respondent did not execute limit, stop, or market orders as directed by Claimants.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants have failed to state a claim on which relief may be granted; Claimants' claims are barred by the statute of frauds; and Claimants' claims are barred by laches, waiver, estoppel and ratification.

RELIEF REQUESTED

Claimants requested:

Compensatory damages	\$ 90,000.00
Punitive Damages	\$ 10,000.00
Attorneys' Fees	\$ unspecified
Other Costs	\$ unspecified
Other Monetary/Non-Monetary Relief:	\$ unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

At the pre-hearing conference held on August 29, 2006, Respondent's counsel raised an issue regarding outstanding discovery issues. Claimants' counsel, represented that Claimants have had several issues develop that have prevented them from responding to the discovery requests.

As a result of the discussions during the conference call, both counsel concurred in dismissing this matter without prejudice. Accordingly, the undersigned arbitrators having deliberated on the issues raised during the conference call, have dismissed this case without prejudice.

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 and the parties' arguments presented at the pre-hearing conferences, 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 without prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) 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 or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 225.00

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, Inc.

Member surcharge = \$ 1,100.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 1,700.00

Adjournment Fees

Adjournments requested during these proceedings:

April 11-13, 2006, adjournment requested by Respondent = \$ 750.00
(Panel assessed Adjournment Fee to Claimants)

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted and each decision rendered on a discovery-related motion on the papers. 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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: April 5, 2006 1 session

Four (4) Pre-hearing sessions with Panel x \$750.00 = \$ 3,000.00

Pre-hearing conferences: October 18, 2005 1 session
October 19, 2005 1 session
March 29, 2006 1 session
August 29, 2006 1 session

Total Forum Fees = \$ 3,450.00

The Arbitration Panel has assessed \$2,700.00 of the forum fees jointly and severally to Robert Spooner and Marlene Spooner.

The Arbitration Panel has assessed \$750.00 of the forum fees to H&R Block Financial Advisors, Inc.

Fee Summary

Claimants, Robert Spooner and Marlene Spooner, are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$ 2,700.00
<hr/> Total Fees	<hr/> = \$ 3,675.00
Less payments	= \$ 975.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 2,700.00

Respondent, H&R Block Financial Advisors, Inc., is liable for:

Member Fees	= \$ 3,550.00
Forum Fees	= \$ 750.00
<hr/> Total Fees	<hr/> = \$ 4,300.00
Less payments	= \$ 3,550.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 750.00

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

ARBITRATION PANEL

Mauricio Kohn - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Bruce F. Coleman - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Mauricio Kohn
Mauricio Kohn
Public Arbitrator, Presiding Chair

08/30/06
Signature Date

Barry Goldman, Esq.
Public Arbitrator

Signature Date

/s/ Bruce F. Coleman
Bruce F. Coleman
Non-Public Arbitrator

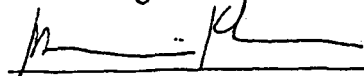
08/30/06
Signature Date

08/30/06
Date of Service (For NASD office use only)

ARBITRATION PANEL

Mauricio Kohn - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Bruce F. Coleman - Non-Public Arbitrator

Concurring Arbitrators:



Mauricio Kohn
Public Arbitrator, Presiding Chair

8/30/06

Signature Date

Barry Goldman, Esq.
Public Arbitrator

Signature Date

Bruce F. Coleman
Non-Public Arbitrator

Signature Date

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ARBITRATION PANEL

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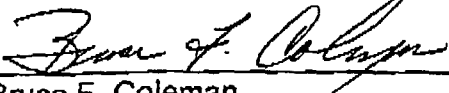
Concurring Arbitrators:

Mauricio Kohn
Public Arbitrator, Presiding Chair

Signature Date

Barry Goldman, Esq.
Public Arbitrator

Signature Date


Bruce F. Coleman
Non-Public Arbitrator

8/30/04
Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

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Barry Goldman, Esq. - Public Arbitrator
Bruce F. Coleman - Non-Public Arbitrator

Concurring Arbitrators:

Mauricio Kohn
Public Arbitrator, Presiding Chair

Signature Date



Barry Goldman, Esq.
Public Arbitrator

8/31/06

Signature Date

Bruce F. Coleman
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)