

**AWARD**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between

Claimant

H&R Block Financial Advisors, Inc.

v.

05-02600

Minneapolis, Minnesota

Respondent

Jason Bo Beckman

---

**NATURE OF DISPUTE**

Member Firm v. Associated Person

**REPRESENTATION OF PARTIES**

H&R Block Financial Advisors, Inc. ("**Claimant**") was represented by Kathleen A. Dedenbach, Esq., of H&R Block Financial Advisors, Inc., until March 22, 2006, after which, Claimant was represented by Deborah A. Mark, Esq., of Kane & Fischer, LTD, Chicago, Illinois.

Jason Bo Beckman ("**Respondent**") was represented by Lindsay J. Zamzow, Esq., and Theresa M. Thompson, Esq., of Fredrickson & Byron, P.A., Minneapolis, Minnesota.

**CASE INFORMATION**

The Statement of Claim was filed on or about May 16, 2005. The Submission Agreement of Claimant was signed on or about May 16, 2005.

The Statement of Answer was filed by Respondent on or about February 3, 2006.

Claimant filed a Motion for Default and Entry of Award on or about January 19, 2006. Respondent filed a Response in Opposition on or about February 3, 2006.

Respondent filed a Motion for Leave to Amend the Statement of Answer and Assert a Counterclaim on or about July 21, 2006. Claimant filed a Response in Opposition on or about July 25, 2006.

### **CASE SUMMARY**

Claimant asserted causes of action including the following: breach of employment contract and failure to repay a promissory note. The causes of action related to Respondent's alleged failure to honor and repay a promissory note dated September 19, 2002, hereinafter referred to as "the Note," which became due upon the termination of Respondent's employment with H&R Block Financial Services, Inc.

Respondent denied that Claimant acted in good faith in his recruitment and that any amounts owed to Claimant under the Note are offset by the amounts Claimant owes Respondent as a result of commissions withheld from Respondent. Respondent also stated that any amounts owed to Claimant under the Note are offset by damages Respondent has suffered due to his detrimental reliance upon Claimant's misrepresentations of material fact and fraudulent practices prior to, during and after his employment with Claimant.

### **RELIEF REQUESTED**

Claimant requested an award of \$80,000.00 in compensatory damages, representing the balance due under the Note, plus interest, costs, attorneys' fees and any other relief the panel deemed just and equitable.

Respondent 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**

Respondent, Jason Bo Beckman, did not file with NASD Dispute Resolution a properly executed submission to arbitration, but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the Statement of Claim and appeared and testified at hearing, is bound by the determination of the arbitration panel on all issues submitted.

On or about February 23, 2006, the panel denied Claimant's Motion for Default and for Entry of Award.

On or about July 27, 2006, the panel denied Respondent's Motion for Leave to Amend Answer and Assert a Counterclaim.

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 originals remain on file with NASD Dispute Resolution ("NASD").

### **AWARD**

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

1. Respondent, Jason Bo Beckman, is liable for and shall pay to Claimant, H&R Block Financial Advisors, Inc., the sum of Eighty Thousand Dollars and No Cents (\$80,000.00) in compensatory damages relating to the principal owed under the Note;
2. Respondent, Jason Bo Beckman, is liable for and shall pay to Claimant, H&R Block Financial Advisors, Inc., interest, on the above sum, at the rate of 3.75% per annum from and including March 30, 2004 through and including the date this Award is paid in full, pursuant to the terms of the Note;
3. Respondent, Jason Bo Beckman, is liable for and shall pay to Claimant, H&R Block Financial Advisors, Inc., arbitration costs of Two Thousand Six Hundred Fifty Dollars and No Cents (\$2,650.00) pursuant to the terms of the Note;
4. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, are denied with prejudice; and
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys' fees.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$ 1,000
--------------------------	------------

### **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
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 1,700

### **Adjournment Fees**

Adjournment granted during these proceedings:

May 9-11, 2006 - Adjournment requested by Claimant (Fee Assessed by the Panel)	= \$ 750
---	----------

### **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 arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

(1) Pre-hearing session with Panel x \$ 750	= \$ 750
---	----------

Pre-hearing conference: September 12, 2005	1 session
--	-----------

Two (2) Hearing sessions with Panel x \$ 750	= \$ 1,500
--	------------

Hearing Date: August 2, 2006	2 sessions
------------------------------	------------

---

Total Forum Fees	= \$ 2,250
------------------	------------

The Arbitration Panel has assessed \$ 1,125 of the forum fees to H&R Block Financial Advisors, Inc.

The Arbitration Panel has assessed \$ 1,125 of the forum fees to Jason Bo Beckman.

**FEE SUMMARY**

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

Initial Filing Fee	= \$ 1,000
Member Fees	= \$ 3,550
Adjournment Fee	= \$ 750
Forum Fees	= \$ 1,125
<u>Total Fees</u>	<u>= \$ 6,425</u>
<u>Less payments</u>	<u>= \$ 5,300</u>
Balance Due NASD Dispute Resolution	= \$ 1,125

Respondent, Jason Bo Beckman, is liable for:

Forum Fees	= \$ 1,125
<u>Total Fees</u>	<u>= \$ 1,125</u>
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution	= \$ 1,125

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

**ARBITRATION PANEL**

William J. Rosso - Non-Public Arbitrator, Presiding Chair  
John J. Sagness - Non-Public Arbitrator  
Bradley A. Erickson - Non-Public Arbitrator

Concurring Arbitrators:

\_\_\_\_\_  
William J. Rosso  
Non-Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John J. Sagness  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Bradley A. Erickson  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

2/8/06  
Date of Service (NASD use only)

**FEE SUMMARY**

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

Initial Filing Fee	= \$ 1,000
Member Fees	= \$ 3,550
Adjournment Fee	= \$ 750
Forum Fees	= \$ 1,125
<b>Total Fees</b>	<b>= \$ 6,425</b>
<b>Less payments</b>	<b>= \$ 5,300</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,125</b>

Respondent, Jason Bo Beckman, is liable for:

Forum Fees	= \$ 1,125
<b>Total Fees</b>	<b>= \$ 1,125</b>
<b>Less payments</b>	<b>= \$ 0</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,125</b>

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

**ARBITRATION PANEL**

William J. Rosso - Non-Public Arbitrator, Presiding Chair  
John J. Sagness - Non-Public Arbitrator  
Bradley A. Erickson - Non-Public Arbitrator

Concurring Arbitrators:

  
William J. Rosso  
Non-Public Arbitrator, Presiding Chair

8/8/2006  
Signature Date

John J. Sagness  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

Bradley A. Erickson  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

8/8/06  
Date of Service (NASD use only)

**FEE SUMMARY**

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

Initial Filing Fee	= \$ 1,000
Member Fees	= \$ 3,550
Adjournment Fee	= \$ 750
Forum Fees	= \$ 1,125
Total Fees	= \$ 6,425
Less payments	= \$ 5,300
Balance Due NASD Dispute Resolution	= \$ 1,125

Respondent, Jason Bo Beckman, is liable for:

Forum Fees	= \$ 1,125
Total Fees	= \$ 1,125
Less payments	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 1,125

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

**ARBITRATION PANEL**

William J. Rosso - Non-Public Arbitrator, Presiding Chair  
John J. Sagness - Non-Public Arbitrator  
Bradley A. Erickson - Non-Public Arbitrator

Concurring Arbitrators:

William J. Rosso  
Non-Public Arbitrator, Presiding Chair

John J. Sagness  
Non-Public Arbitrator

Bradley A. Erickson  
Non-Public Arbitrator

8/8/06  
Date of Service (NASD use only)

Signature Date

August 7, 2006  
Signature Date

Signature Date

**FEE SUMMARY**

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

Initial Filing Fee	= \$ 1,000
Member Fees	= \$ 3,550
Adjournment Fee	= \$ 750
Forum Fees	= \$ 1,125
<u>Total Fees</u>	<u>= \$ 6,425</u>
<u>Less payments</u>	<u>= \$ 5,300</u>
Balance Due NASD Dispute Resolution	= \$ 1,125

Respondent, Jason Bo Beckman, is liable for:

Forum Fees	= \$ 1,125
<u>Total Fees</u>	<u>= \$ 1,125</u>
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution	= \$ 1,125

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

**ARBITRATION PANEL**

William J. Rosso - Non-Public Arbitrator, Presiding Chair  
John J. Sagness - Non-Public Arbitrator  
Bradley A. Erickson - Non-Public Arbitrator

Concurring Arbitrators:

\_\_\_\_\_  
William J. Rosso  
Non-Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John J. Sagness  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Bradley A. Erickson  
Non-Public Arbitrator

7 AUGUST 2006  
Signature Date

8/8/06  
Date of Service (NASD use only)