

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

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In the Matter of the Arbitration Between:

Name of Claimant

The William C. Strange and Lucille R. Strange  
Revocable Living Trust UDA 4/22/98, Lucille  
R. Strange and Carl W. Strange, Trustees

vs.

Case Number: 06-02008  
Hearing Site: Troy, Michigan

Names of Respondents

H&R Block Financial Advisors, Inc. and  
Edward Weidman

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**NATURE OF THE DISPUTE**

Customer vs. Member and Associated Person

**REPRESENTATION OF PARTIES**

The William C. Strange and Lucille R. Strange Revocable Living Trust UDA 4/22/98, Lucille R. Strange and Carl W. Strange, Trustees ("Claimant") was represented by Richard R. Scarfone, Esq., Law Offices of Richard R. Scarfone, Grosse Pointe, Michigan.

H&R Block Financial Advisors, Inc. ("HRBFA") and Edward Weidman ("Weidman"), hereinafter collectively referred to as "Respondents," were represented by Donald P Wray, Jr., Esq., H&R Block Financial Advisors, Inc., Detroit, Michigan.

**CASE INFORMATION**

The Statement of Claim was filed on or about April 20, 2006. The Submission Agreement of Claimant, The William C. Strange and Lucille R. Strange Revocable Living Trust UDA 4/22/98, was signed on or about April 24, 2006, by Lucille R. Strange and Carl W. Strange, Trustees.

The Statement of Answer was filed jointly by Respondents on or about July 28, 2006. The Submission Agreement of HRBFA was signed on or about May 6, 2006, by David C. Andrew. The Submission Agreement of Weidman was signed on or about May 16, 2006.

### **CASE SUMMARY**

Claimant asserted the following causes of action: violation of Michigan blue sky law; negligence; unsuitability; violation of NASD Rules of Fair Practice; breach of contract; and breach of fiduciary duty. The causes of action related to the recommendation and purchase of Verizon and Worldcom preferred stock. Claimant asserted that Respondents recommended that the Trust's funds be invested solely in two stocks. Claimant asserted that when the stocks declined in value, Claimant's income flow was impaired. Claimant alleged that this risk was not disclosed by Respondents.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim fails to state a claim upon which relief may be granted; Claimant's claim is barred by the statute of frauds; and Claimant's Statement of Claim is barred by laches, waiver, estoppel, and ratification.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 100,000.00
Exemplary/Punitive Damages	\$ 100,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be dismissed in their entirety and that Respondent Wiedman's CRD record be expunged of all references to this matter.

### **OTHER ISSUES CONSIDERED & 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 the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all, are denied and dismissed with prejudice;

- 2.) The Panel recommends the expungement of all references to the above captioned arbitration from Respondent, Edward Weidman's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Weidman, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the Panel has made the following affirmative findings of fact:

The claim, allegation, or information is false;

- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4) 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 the non-refundable filing fee 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. In this matter, the member firm is H&R Block Financial Advisors, Inc.

Member surcharge = \$ 1,700.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$ 2,750.00

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. 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 Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: September 18, 2006 1 session	
Two (2) Hearing sessions x \$1,125.00	= \$ 2,250.00
Hearing Date: October 9, 2006 2 sessions	
Total Forum Fees	= \$ 3,375.00

The Panel has assessed \$1,687.50 of the forum fees to The William C. Strange and Lucille R. Strange Revocable Living Trust UDA 4/22/98, Lucille R. Strange and Carl W. Strange, Trustees.

The Panel has assessed \$1,687.50 of the forum fees jointly and severally to H&R Block Financial Advisors, Inc. and Edward Weidman.

### **FEE SUMMARY**

Claimant, The William C. Strange and Lucille R. Strange Revocable Living Trust UDA 4/22/98, Lucille R. Strange and Carl W. Strange, Trustees, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 2,450.00
Balance Due NASD Dispute Resolution	= \$ 2,750.00

Respondents, H&R Block Financial Advisors, Inc. and Edward Weidman, are jointly and severally liable for:

Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,687.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

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

**ARBITRATION PANEL**

David F. Simon, Esq. - Public Arbitrator, Presiding Chair  
Paul M. Stoychoff, Esq. - Public Arbitrator  
Patrick A. Guentner - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ David F. Simon, Esq.  
David F. Simon, Esq.  
Public Arbitrator, Presiding Chair

10/20/06  
Signature Date

/s/ Paul M. Stoychoff, Esq.  
Paul M. Stoychoff, Esq.  
Public Arbitrator

10/18/06  
Signature Date

/s/ Patrick A. Guentner  
Patrick A. Guentner  
Non-Public Arbitrator

10/18/06  
Signature Date

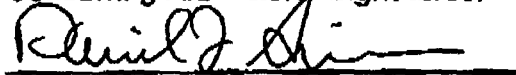
10/23/06  
Date of Service (For NASD office use only)

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Paul M. Stoychoff, Esq. - Public Arbitrator  
Patrick A. Guentner - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



David F. Simon, Esq.  
Public Arbitrator, Presiding Chair

Oct 20, 2006  
Signature Date

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Paul M. Stoychoff, Esq.  
Public Arbitrator

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Signature Date

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Patrick A. Guentner  
Non-Public Arbitrator

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