

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Marie A. Lanza

Case No. 99-04177

Name of Respondents

H&R Block Financial Advisors, Inc.
Edward A. Tracy

Hearing Site: Pittsburgh, PA

REPRESENTATION OF PARTIES

Claimant, Marie A. Lanza ("Claimant") was represented by: Roger L. Wise, Esq., Heintzman Warren Wise & Fornella, P.C., Pittsburgh, PA.

Respondent, Olde Discount Corp. ("Olde") was represented by Ronald P. Kane, Esq., Kane & Fischer, Ltd., Chicago, IL.

Respondent, Edward A. Tracy ("Tracy") was represented by Theodore A. Krebsbach, Esq., Theodore A. Krebsbach & Associates, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 9, 1999

Claimant signed the Uniform Submission Agreement: September 9, 1999

Olde's Statement of Answer filed on or about: December 16, 1999

Olde's undated Uniform Submission Agreement was executed by Thomas P. Fitzgerald

Tracy did not file an Answer but on March 16, 2001 filed a letter joining in the Answer previously filed by Olde.

Tracy did not file a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: Violation of Section 10(b) and Rule

10b-5 of the Securities and Exchange Act of 1934; violation of the Pennsylvania Unfair Trade Practice and Consumer Protection Law of the State of Michigan Uniform Securities Act; fraud, deceit, willful and reckless disregard for Claimant's best interest; breach of NASD Rules of Fair Practice; breach of contract; and negligence. Claimant alleged, among other things, the following wrongdoing: that Tracy made unauthorized and excessive trades in her account; that Respondents purchased unsuitable stocks on margin; that Respondents failed to explain margin lending to Claimant; that Tracy purchased highly speculative stocks on margin; the stocks purchased and sold by Tracy were stocks in which Olde was a market maker and Respondents failed to disclose to Claimant the spread they made between the buy and ask prices; Olde failed to supervise and/or inadequately and improperly supervised Tracy.

Respondents denied all allegations of wrongdoing asserted by Claimant and asserted the following defenses: Respondents have not violated the Federal Securities Laws and have not engaged in any fraudulent conduct; Respondents did not violate the State of Michigan Uniform Securities Act; that Michigan law applies; Respondents did not breach any contract with Claimant; no private cause of action exists for alleged violations of the NASD rules; Claimant's accounts were not churned and the investments recommended were suitable; the claims are barred by the doctrines of waiver, estoppel, ratification and laches; Olde fully complied with its supervisory duties; Claimant has failed to state a claim on which relief may be granted; that Claimant's claims are barred by the statute of frauds; Respondents obligations, if any, to the Claimant have been fully paid, satisfied and discharged; Claimant assumed the risk if the transactions engaged in and the investment losses incurred; Claimant may not recover punitive or exemplary damages as the recovery of such damages is not permitted under applicable state laws; Claimant failed to mitigate any losses she may have sustained; and, Claimant's claims are barred by all applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested, in her Statement of Claim, an award of compensatory and punitive damages in excess of \$1,000,000.00 and less than \$3,000,000.00, as well as interest, attorneys' fees, and costs.

Respondents requested that Claimant's claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Tracy did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Dispute Resolution, Inc. Code of Arbitration Procedure and, having joined in the answer submitted by Olde, and having appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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. That Olde is liable to Claimant and shall pay to Claimant the sum of \$60,000; no pre-judgment interest is awarded on this amount. Post-judgment interest shall be sent at 6% simple interest per annum and shall run from the date of the Award until the day the Award is paid.
2. That all claims against Tracy are denied in their entirety.
3. Claimant's request for punitive or exemplary damages is denied in its entirety.
4. That the parties shall bear their own costs, including attorneys' fees; except as Fees are specifically addressed below.
5. That any and all relief requests not specifically addressed herein is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$500
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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 a party.

Member surcharge	= \$2,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$4,500

Adjournment Fees

Adjournments requested during these proceedings:

January 16, 17, 18 and 19, 2001; adjournment by Tracy = \$1,200

Forum Fees and Assessments

The arbitrator (panel) has the authority to assess forum fees for each hearing session conducted. 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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450 = \$ 900

Pre-hearing conferences: July 24, 2000 1 session

October 13, 2000 1 session

One (1) Pre-hearing session with Panel x \$1,200 = \$ 1,200

Pre-hearing conference: June 19, 2000 1 session

Fourteen (14) Hearing sessions x \$1,200 = \$16,800

Hearing Dates: May 30, 2001 2 sessions

May 31, 2001 2 sessions

June 1, 2001 2 sessions

July 18, 2001 2 sessions

July 19, 2001 2 sessions

July 20, 2001 2 sessions

August 13, 2001 2 sessions

Total Forum Fees = \$18,900

The panel has assessed forum fees so that Claimant shall bear 50% and Olde shall bear 50%.

1. Claimant is assessed a forum fee in the amount of \$9,450.
2. Olde is assessed forum fees in the amount of \$9,450.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Olde requested tape duplication and was assessed costs in the amount of \$210 for this service.

Fee Summary

Claimant is assessed the following fees:

Initial Filing Fee	= \$ 500
Forum Fees	= \$ 9,450

Total Fees	= \$ 9,950
Less payments	= \$ 1,700

Balance Due NASD Dispute Resolution, Inc.	= \$ 8,250
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Olde is assessed the following fees:

Member Fees	= \$ 7,600
Forum Fees	= \$ 9,450
Administrative Costs	= \$ 210

Total Fees	= \$17,260
Less payments	= \$ 7,810

Balance Due NASD Dispute Resolution, Inc.	= \$ 9,450
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Tracy is assessed the following fee:

Postponement Fee	= \$ 1,200
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Total Fees	= \$ 1,200
Less payments	= \$ 1,200

Balance Due NASD Dispute Resolution, Inc.	= \$ 0
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All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.	-	<i>Public Arbitrator, Chairperson</i>
Raymond S. Ehrman	-	<i>Public Arbitrator, Panelist</i>
Paul H. McKenna	-	<i>Non-Public Arbitrator, Panelist</i>

Concurring Arbitrators' Signatures

Frank C. Fogl, Jr.
Frank C. Fogl, Jr., Esq.
Public Arbitrator, Chairperson

October 4, 2001
Signature Date

Raymond S. Ehrman
Public Arbitrator, Panelist

Signature Date

Paul H. McKenna
Non-Public Arbitrator, Panelist


Signature Date

October 10, 2001
Date Award Served by NASD-Dispute Resolution

Concurring Arbitrators' Signatures

Frank C. Fogl, Jr., Esq.
Public Arbitrator, Chairperson

Signature Date



Raymond S. Ehrman
Public Arbitrator, Panelist

Signature Date

Paul H. McKenna
Non-Public Arbitrator, Panelist

Signature Date

October 10, 2001
Date Award Served by NASD-Dispute Resolution

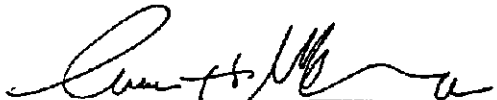
Concurring Arbitrators' Signatures

Frank C. Fogl, Jr., Esq.
Public Arbitrator, Chairperson

Signature Date

Raymond S. Ehrman
Public Arbitrator, Panelist

Signature Date



Paul H. McKenna
Non-Public Arbitrator, Panelist

10/8/01

Signature Date

October 10, 2001
Date Award Served by NASD-Dispute Resolution