

**STIPULATED AWARD**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Ruth and Robert Mechigian, and  
The Mechigian Family Limited Partnership

and

99-04972  
Detroit, Michigan

OLDE Discount Corporation  
Joseph Drew Sheeran

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**REPRESENTATION OF PARTIES**

Ruth and Robert Mechigian, and The Mechigian Family Limited Partnership ("Claimants") were represented by Anthony V. Trogan, Esq., West Bloomfield, Michigan.

H&R Block Financial Advisors, f/k/a OLDE Discount Corporation ("OLDE") and Joseph Drew Sheeran ("Sheeran"), hereinafter referred to as "Respondents" were represented by Ronald P. Kane, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

**CASE INFORMATION**

The Statement of Claim was filed on or about November 1, 1999. The Submission Agreement of Claimants, Ruth and Robert Mechigian, was signed on November 19, 1999.

Statement of Answer was filed by Respondents OLDE and Sheeran on or about January 14, 2000. The Submission Agreement of Respondent OLDE Discount Corporation was signed on or about January 12, 1999. The Submission Agreement of Respondent Joseph Drew Sheeran was signed on or about January 12, 1999.

**CASE SUMMARY**

Claimants alleged that Respondents induced them to purchase securities that were unsuitable and engaged in excessive trading of securities on margin. In addition, Claimants alleged that Respondents misrepresented that the stocks were safe and failed to disclose the risks of the trading. Claimants also asserted claims against OLDE for failure to supervise the activities of Respondent Sheeran in the handling of Claimants' account.

Respondents denied the material allegations of the Statement of Claim, alleging that Claimants were experienced investors whose investment objectives included aggressive speculation. In addition, Respondents stated that the securities recommended were suitable for Claimants' investment objectives, sophistication and financial condition. Furthermore, Respondents alleged that Claimants' decision to purchase certain stock was based, at least in part, upon their own sources and not Respondents' representations. Respondents also asserted several affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested entry of an award for compensatory damages in an amount in excess of \$130,000.00, plus refund of commissions, plus exemplary/punitive damages, interest, costs, and attorney's fees.

Respondents requested that Panel enter an award in their favor and against Claimant, as well as attorneys' fees and costs incurred in connection with this proceeding. Respondent Sheeran requested that this Panel issue an order specifically expunging this action from his CRD.

### **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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

By letter dated November 28, 2000, the Claimants advised that the matter was settled with Respondent OLDE. In addition, a Notice of Withdrawal and Dismissal of Claim was filed by Claimant, withdrawing and dismissing the claims against Respondent Sheeran.

### **AWARD**

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Pursuant to the Notice of Withdrawal and Dismissal of Claim, the claims against Respondent Joseph Drew Sheeran were withdrawn and it is intended that the dismissal shall act as a dismissal with prejudice relating to any and all claims asserted against Respondent Joseph Drew Sheeran;
- 2.) The matter is settled (subject to any conditions of a settlement agreement) between the remaining parties;
- 3.) The parties shall bear their own costs, subject to any settlement agreement, except for those included herein;
- 4.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Joseph Drew Sheeran's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Sheeran must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

- 5.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

### FEES

Pursuant to the Code, the following fees are assessed:

#### Filing Fees

NASD Dispute Resolution, Inc. will retain 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. In this matter, the member firm is OLDE Discount Corporation.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$1,600.00

Hearing process fee = \$2,500.00

#### Adjournment Fees

Adjournments requested during these proceedings:

November 20-22, 2000, adjournment by Claimants = \$1,125.00

#### 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 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: October 2, 2000 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00

Pre-hearing conference: April 25, 2000 1 session

Total Forum Fees = \$1,575.00

The Arbitration Panel has assessed \$787.50 of the forum fees to Ruth and Robert Mechigian, jointly and severally.

The Arbitration Panel has assessed \$787.50 of the forum fees to OLDE Discount Corporation.

NASD Dispute Resolution, Inc.  
Arbitration No. 99-04972  
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### Fee Summary

Claimants, Ruth and Robert Mechigian, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 787.50
<u>Total Fees</u>	= \$ 2,212.50
<u>Less payments</u>	= \$ 2,550.00
Balance refunded by NASD Dispute Resolution, Inc.	= \$ 337.50

Respondent, OLDE Discount Corporation, is liable for:


Member Fees	= \$ 4,600.00
Forum Fees	= \$ 787.50
<u>Total Fees</u>	= \$ 5,387.50
<u>Less payments</u>	= \$ 5,387.50
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

### ARBITRATION PANEL

John F. Burns, Esq. - Public Arbitrator, Presiding Chair  
William P. Thorpe, Esq. - Public Arbitrator  
Gary C. Peters, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

  
John F. Burns, Esq.  
Public Arbitrator, Presiding Chair

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

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William P. Thorpe, Esq.  
Public Arbitrator

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