

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mahinderjit Singh, M.D. and Jasjit Kaur Singh, Jasjit K. Singh IRA, Mahinderjit Singh, IRA, Jasjit K. Singh c/f Gurjup K. Singh, and Jasjit K. Singh c/f Harjup Singh (Claimants) v. H & R Block Financial Advisors, Montrose Capital Management, Ltd., Vivek K. Verma, Robert J. Winston, and Michael J. Rajewski (Respondents)

Case Number: 01-01442

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimants, Mahinderjit Singh, M.D. and Jasjit Kaur Singh (“M. Singh and J. Singh”), Jasjit K. Singh IRA (“J. Singh IRA”), Mahinderjit Singh IRA (“M. Singh IRA”), Jasjit K. Singh c/f Gurjup K. Singh (“J. Singh c/f G. Singh”), and Jasjit K. Singh c/f Harjup Singh (“J. Singh c/f H. Singh”), hereinafter collectively referred to as “Claimants”: Steven G. Mintz, Esq. and Philip S. Raible, Esq., Mintz & Gold, LLP, New York, NY. Previously represented by: Harlan Levy, Sherab Posel, Esq. and Roger Prah, Esq., Boies, Schiller & Flexner, LLP, Armonk, NY.

Respondents, H & R Block Financial Advisors, Inc. (“H & R Block”) and Michael J. Rajewski: Theodore A. Krebsbach, Esq., Theodore A. Krebsbach & Associates, P.C., New York, NY. Previously represented by: David T. Doyle, Office of General Counsel, H & R Block Financial Advisors, Inc., Detroit, MI.

Respondent, Vivek K. Verma (“Verma”): David Crystal II, Esq., Gilbride Tusa Last & Spellane, LLC, New York, NY.

Respondent, Robert J. Winston (“Winston”): Robert L. Herskovits, Esq., Law Offices of Michael F. Bachner, New York, NY.

Respondent, Montrose Capital Management, Ltd. (“Montrose”) did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: March 21, 2001.

Claimants’ Response to the Joint Motion by H & R Block and Rajewski filed on or about: August 31, 2001.

Claimants’ Response to Winston’s Motion for a More Definite Statement and Motion to Dismiss filed on or about: August 31, 2001.

M. Singh and J. Singh signed the Uniform Submission Agreement: March 16, 2001.

J. Singh IRA signed the Uniform Submission Agreement: May 25, 2001.
M. Singh IRA signed the Uniform Submission Agreement: May 25, 2001.
J. Singh c/f G. Singh signed the Uniform Submission Agreement: May 25, 2001.
J. Singh c/f H. Singh signed the Uniform Submission Agreement: May 25, 2001.

Joint Statement of Answer, Motion to Dismiss, and Request for Expungement of Rajewski's CRD record filed by H & R Block and Rajewski on or about: August 1, 2001.

H & R Block signed the Uniform Submission Agreement: June 15, 2001.
Rajewski signed the Uniform Submission Agreement: August 22, 2001.

Statement of Answer filed by Verma on or about: July 10, 2001.
Verma signed the Uniform Submission Agreement: July 9, 2001.

Statement of Answer, Motion for a More Definite Statement, and Motion to Dismiss filed by Winston on or about: August 3, 2001.
Winston did not sign a Uniform Submission Agreement.

Montrose did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; charging excessive commissions; refusal to honor Claimants' orders; breach of fiduciary duty; fraud; and failure to supervise. Claimants' claims involved options and other unspecified types of securities.

Unless specifically admitted in their Answer, Motion to Dismiss, and Request for Expungement of Rajewski's CRD record, H & R Block and Rajewski denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Verma denied the allegations made in the Statement of Claim.

Unless specifically admitted in his Answer, Motion for a More Definite Statement, and Motion to Dismiss, Winston denied the allegations and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested:

1. On their First Claim for Relief, money damages of \$648,876.00 against Verma, Winston, and Montrose, and money damages of \$1,022,233.00 against Rajewski and H & R Block.

2. On their Second Claim for Relief, money damages of \$59,000.00 against Verma, Winston, and Montrose.
3. On their Third Claim for Relief, money damages of \$648,876.00 against Verma, Winston, and Montrose, and money damages of \$1,322,233.00 to \$1,522,233.00 against Rajewski and H & R Block.
4. On their Fourth Claim for Relief, money damages of \$648,876.00 against Verma, Winston, and Montrose, and money damages of \$1,522,233.00 to \$1,722,233.00 against Rajewski and H & R Block.
5. On their Fifth Claim for Relief, money damages of \$693,876.00 against Winston and Montrose, to the extent such damages have not already been awarded in connection with the Claimants' First through Fourth Claims for Relief, and money damages of \$1,522,233.00 to \$1,722,233.00 against H & R Block to the extent such damages have not already been awarded in connection with the Claimants' First, Third, and Fourth Claims for Relief.
6. On all claims, an award of attorneys' fees and costs, to defray the expense of bringing this action.
7. Such other and further relief as may appear just and proper.

In Claimants' Response to the Joint Motion by Respondent H & R Block and Rajewski to Dismiss, Claimants requested that the Panel deny the Motion in its entirety, and proceed to set dates for the hearing and final resolution of the claims set forth in the Statement of Claim.

In Claimants' Response to Winston's Motion for a More Definite Statement and Motion to Dismiss, Claimants requested that the Panel deny the Motion because the Statement of Claim specifies "the relevant facts and the remedies sought" as required by the NASD Code of Arbitration Procedure Section 10314(a) and, as highlighted above, contains more than sufficient information to show Movant's active and damaging involvement in managing Claimants' accounts.

H & R Block and Rajewski requested that the panel hold Claimants responsible for making false claims; that this arbitration be dismissed; that Rajewski's CRD record be ordered expunged; and that the Claimants be ordered to compensate them for every cost, fee, and expense incurred in defending against this scurrilous action.

Verma requested that all claims against him be dismissed in total, that his CRD record be cleared of this bogus complaint, and that he not be burdened with any costs, including forum fees, and that the arbitrators award him such other relief as is just and proper.

Winston requested that the Panel dismiss the Statement of Claim in its entirety; grant the Motion for a More Definite Statement; grant the Motion to Dismiss the first and fourth claims against him; order that all references to this arbitration be expunged and stricken from his Forum U-4 as maintained with the Central Registration Depository; and award all other and further relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to the Bankruptcy Order filed on or about December 7, 2001 in the United States District Court for the Southern District of New York, all claims against Montrose Capital Management, Inc. were indefinitely stayed.

An Order filed on or about September 9, 2002, in the United States District Court for the Eastern District of New York, indefinitely stayed this matter against Winston. A Modified Order filed on or about September 24, 2002 in the United States District Court for the Eastern District of New York was then entered allowing this case to proceed against the remaining Respondents. An Order filed on or about January 23, 2003, in the United States District Court for the Eastern District of New York lifted the stay against Winston.

By letter dated May 19, 2003, Claimants withdrew all of their claims against Verma with prejudice.

At the hearing, Respondents filed a motion to dismiss the Statement of Claim on the grounds that no prima facie case was submitted by the Claimants. After due consideration, the Panel denied the motion.

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 evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby denied in their entirety.
2. Any and all relief not specifically addressed herein is denied.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael Rajewski's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to

NASD Notices to Members 99-09 and 99-54, Respondent Michael Rajewski must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

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 = \$600.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, H & R Block Financial Advisors, Inc. is a party.

Member surcharge = \$3,000.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

July 15, 16, 17, 18, and 19, 2003, adjournment by Claimants = \$ 600.00
July 15, 16, 17, 18, and 19, 2003, adjournment by H & R Block = \$ 600.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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 a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: November 7, 2001 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: June 12, 2002 1 session

Ten (10) Hearing sessions @ \$1,200.00 = \$12,000.00
Hearing Dates: May 20, 2003 2 sessions
May 21, 2003 2 sessions
May 22, 2003 2 sessions
October 2, 2003 2 sessions

October 3, 2003 2 sessions

Total Forum Fees = \$13,650.00

1. The Panel has assessed \$6,825.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$6,825.00 of the forum fees against H & R Block.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. H & R Block requested service = \$ 195.00

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$6,825.00
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Total Fees	= \$8,025.00
Less payments	= \$2,400.00
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Balance Due NASD Dispute Resolution	= \$5,625.00

2. H & R Block is solely liable for:

Member Fees	= \$ 8,600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 6,825.00
Administrative Costs	= \$ 195.00
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Total Fees	= \$16,220.00
Less payments	= \$ 9,395.00
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Balance Due NASD Dispute Resolution	= \$ 6,825.00

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

ARBITRATION PANEL

Richard W. Cutler, Esq.	-	Public Arbitrator, Presiding Chair
John F. Heimerdinger	-	Public Arbitrator
Michael W. Brody, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

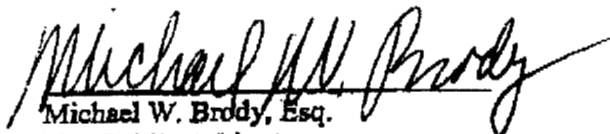
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Richard W. Cutler, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John F. Heimerdinger
Public Arbitrator

Signature Date



Michael W. Brody, Esq.
Non-Public Arbitrator

Signature Date

November 14, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Richard W. Cutler, Esq. - Public Arbitrator, Presiding Chair
John F. Heimerdinger - Public Arbitrator
Michael W. Brody, Esq. - Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Richard W. Cutler, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



John F. Heimerdinger
Public Arbitrator



Signature Date

Michael W. Brody, Esq.
Non-Public Arbitrator

Signature Date

November 14, 2003

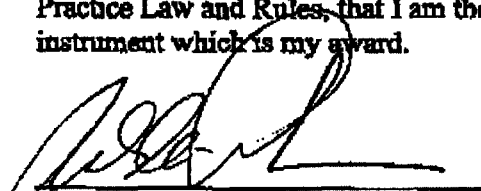
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ARBITRATION PANEL

Richard W. Cutler, Esq.	-	Public Arbitrator, Presiding Chair
John F. Heimerdinger	-	Public Arbitrator
Michael W. Brody, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Richard W. Cutler, Esq.
Public Arbitrator, Presiding Chairperson

11/12/03
Signature Date

John F. Heimerdinger
Public Arbitrator

Signature Date

Michael W. Brody, Esq.
Non-Public Arbitrator

Signature Date

November 14, 2003

Date of Service (For NASD Dispute Resolution use only)