

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Howard R. Wilkov, M.D. and The Wilkov Family Limited Partnership (Claimants) vs. Ameriprise Financial Services, Inc. (Respondent) vs. Jennifer Wilkov (Third-Party Respondent)

Case Number: 09-03961

Hearing Site: New York, New York

Nature of the Dispute

Initial Claim: Customers vs. Member

Third-Party Claim: Member vs. Associated Person

Public Arbitrator Pilot Program/All Public Panel

REPRESENTATION OF PARTIES

Claimants Howard R. Wilkov, M.D. and The Wilkov Family Limited Partnership, hereinafter collectively referred to as "Claimants": Jeffrey M. Eilender, Esq., and Samuel L. Butt, Esq., Schlam Stone & Dolan LLP, New York, NY.

Respondent Ameriprise Financial Services, Inc., hereinafter referred to as "Ameriprise": Michael J. Zaretsky, Esq., Chorprenning, Good, Carlet, & Garrison, Clifton, NJ. Previously represented by Dennis K. Egan, Esq., Butzel Long, Bloomfield Hills, MI.

Third-Party Respondent Jennifer Susan Wilkov, hereinafter referred to as "J. Wilkov": Eric R. Breslin, Esq., Duane Morris LLP, Newark, NJ.

CASE INFORMATION

Statement of Claim filed on or about: June 30, 2009.

Amended Statement of Claim filed on or about: October 12, 2009.

Howard R. Wilkov, M.D. signed the Submission Agreement: June 26, 2009.

The Wilkov Family Limited Partnership signed the Submission Agreement: June 26, 2009.

Statement of Answer and Third-Party Statement of Claim filed by Ameriprise on or about: September 2, 2009.

Ameriprise signed the Submission Agreement: July 20, 2009.

Statement of Answer filed by J. Wilkov on or about: July 19, 2010.

J. Wilkov signed the Submission Agreement: July 27, 2010.

CASE SUMMARY

Claimants asserted the following causes of action in the Statement of Claim and Amended Statement of Claim: securities fraud, common law fraud, negligence, unjust enrichment and breach of contract. The causes of action relate to unspecified securities.

Unless specifically admitted its Answer, Ameriprise denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Ameriprise asserted the following causes of action in the Third-Party Statement of Claim: failure to disclose, breach of franchise agreement, fraud, and withholding material facts.

Unless specifically admitted her Answer to Third-Party Statement of Claim, J. Wilkov denied the allegations made in the Third-Party Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim and Amended Statement of Claim, Claimants requested judgment in their favor against Ameriprise:

- a) On the first claim for common law fraud, in an amount of \$1,025,000.00 plus pre-judgment interest;
- b) On the second claim, for breach of express and/or implied contract, in an amount of \$1,025,000.00 plus pre-judgment interest;
- c) On the third claim for unjust enrichment in an amount of \$1,025,000.00 plus pre-judgment interest;
- d) On the fourth claim, for negligence and negligent supervision, in an amount of \$1,025,000.00 plus pre-judgment interest;
- e) On the fifth claim for federal securities fraud and violations of the federal securities laws in an amount of \$1,025,000.00 plus pre-judgment interest;
- f) On the sixth claim for violations of the New York, California, Florida and any other applicable consumer fraud statutes in an amount of \$1,025,000.00 plus pre-judgment interest, punitive and enhanced damages, and attorneys' fees;
- g) On the seventh claim for control liability under Section 20(a) of the Exchange Act, in an amount of \$1,025,000.00 plus pre-judgment interest;
- h) On the eight claim, under Fla. Stat. Ann. 517.301 and Cal. Corp Code Sec. 25401, for compensatory damages, in an amount of \$1,025,000.00, enhanced damages, and attorneys' fees; and
- i) On all causes of action, such other and further relief, including the costs and disbursements of this action, rescission and pre-judgment interest, as this Panel deems just and proper.

Ameriprise requested that the Panel dismiss the Statement of Claim and require Claimants to pay for the costs of this proceeding. In the alternative, if the Panel determines that some or all of the Claimant's allegations regarding it are true, Third-Party Respondent Jennifer Wilkov should be held liable to it for the full amount of any award issued to Principal Claimants against it, as well as costs, expenses, attorneys' fees incurred, and any other damages suffered by it.

J. Wilkov requested that the Panel dismiss the Third-Party Statement of Claim in its entirety, award her costs and expenses of this arbitration, and award her such other and further relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

This case proceeded under the Public Arbitrator Pilot Program, which allows parties to choose whether to have a non-public arbitrator on the panel.

At the end of Claimants' case, Respondent Ameriprise moved to dismiss based upon Florida law which it asserted implied knowledge of a limited partner to the limited partnership, and contributory negligence of Claimants' general partner, Howard Wilkov. After due deliberation, 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. Respondent Ameriprise is liable for and shall pay to Claimant The Wilkov Family Limited Partnership compensatory damages in the amount of \$500,000.00.
2. Respondent Ameriprise is liable for and shall pay to Claimant The Wilkov Family Limited Partnership \$1,200.00 to reimburse Claimant for the non-refundable portion of the filing fee previously paid to FINRA.
3. Respondent Ameriprise's Third-Party Claim is denied in its entirety.
4. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee	= \$1,800.00
Third-Party Claim filing fee	= \$3,200.00

In accordance with the Award section above, Respondent Ameriprise is liable for and shall pay to Claimant The Wilkov Family Limited Partnership \$1,200.00 to reimburse Claimant The Wilkov Family Limited Partnership for the non-refundable portion of the filing fee previously paid to FINRA.

**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, as a party, Ameriprise Financial Services, Inc., is assessed the following:

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 15 – 19, 2010 adjournment by parties	= \$1,200.00
Claimants' share jointly and severally	= \$ 600.00
Ameriprise's share	= \$ 600.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session 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 last four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: July 21, 2010 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: March 3, 2010 1 session	
Fourteen (14) Hearing sessions with Panel @ \$1,200.00/session	= \$16,800.00
Hearing Dates:	
April 11, 2011 2 sessions	
April 12, 2011 2 sessions	
April 13, 2011 2 sessions	
April 14, 2011 2 sessions	
April 15, 2011 2 sessions	
April 20, 2011 2 sessions	
April 21, 2011 2 sessions	
<hr/> Total Hearing Session Fees	<hr/> = \$18,450.00

The Panel has assessed \$18,450.00 of the hearing session fees to Respondent Ameriprise.


All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Robert Youdelman - Public Arbitrator, Presiding Chairperson
Herman Taub - Public Arbitrator
Arnold Wagner - Public Arbitrator

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.

Concurring Arbitrators' Signatures


Robert Youdelman
Public Arbitrator, Presiding Chairperson

5/24/11
Signature Date

Herman Taub
Public Arbitrator

Signature Date

Arnold Wagner
Public Arbitrator

Signature Date

May 25, 2011

Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

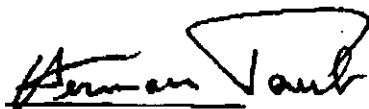
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Public Arbitrator, Presiding Chairperson

Signature Date



Herman Taub
Public Arbitrator

May 20, 2011
Signature Date

Arnold Wagner
Public Arbitrator

Signature Date

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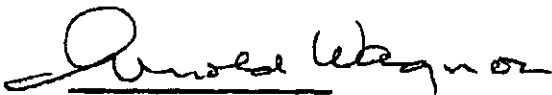
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Signature Date

Herman Taub
Public Arbitrator

Signature Date



Arnold Wagner
Public Arbitrator

5/20/2011

Signature Date

May 25, 2011

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