

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Florence R. Carunchio (Claimant) v. American Express Financial Advisors, Inc.
(Respondent)

Case Number: 02-05302

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

Claimant Florence R. Carunchio ("Carunchio") hereinafter referred to as "Claimant":
Matthew V. Bartle, Esq., Berkowitz, Feldmiller, Stanton, Brandt, Williams & Shaw,
LLP, Kansas City, MO.

Respondent American Express Financial Advisors, Inc. ("AEFA") hereinafter referred to
as "Respondent": Karen E. Wilson, Esq., Faegre & Benson, LLP, Minneapolis, MN.

CASE INFORMATION

Statement of Claim filed on or about: September 6, 2002.

Claimant signed the Uniform Submission Agreement: September 6, 2002.

Statement of Answer filed by Respondent on or about: January 15, 2003.

Respondent signed the Uniform Submission Agreement: January 14, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: fraud; tortious interference; breach of fiduciary duty; breach of contract – referral rewards; breach of the implied covenant of good faith and fair dealing; unjust enrichment; and breach of contract – independent contractor status.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in excess of \$20,000,000.00; punitive damages; attorneys' fees; and costs.

Respondent requested that Claimant's claims be denied in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, Respondent made a motion to dismiss Claimant's claim. The Panel reserved their decision. At the end of the case, the Panel denied Respondent's 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, and 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. Respondent is liable for and shall pay to Claimant the sum of \$1,000,000.00 (\$1 million) plus interest at the rate specified in NY CPLR 5004 from the date of the award to the date of payment of the award.
2. Respondent is liable for and shall pay to Claimant costs and disbursements (other than filing and forum fees) in the amount of \$39,165.40.
3. Beginning January 1, 2004, Respondent shall pay to Claimant the Asset Retention Fee presently in effect on all Qualified Plan Assets without exclusion.
4. Respondent is liable for and shall pay to Claimant the sum of \$600.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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
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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. Accordingly, American Express Financial Advisors, Inc. is a party.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

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 Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: May 5, 2003 1 session	

Twelve (12) Hearing sessions @ \$1,200.00	= \$14,400.00
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Hearing Dates:	November 21, 2003	2 sessions
	November 24, 2003	2 sessions
	November 25, 2003	2 sessions
	February 27, 2004	2 sessions
	February 28, 2004	2 sessions
	March 1, 2004	2 sessions

Total Forum Fees	= \$15,600.00
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1. The Panel has assessed \$15,600.00 of the forum fees against Respondent.

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. Claimant requested duplicates of cassette tapes = \$45.00

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 600.00
<u>Administrative Costs</u>	= \$ 45.00
Total Fees	= \$ 645.00
<u>Less payments</u>	= \$1,800.00
Refund Due	= \$1,155.00

As stated in the "Award" section above, Respondent is liable and shall reimburse Claimant for the \$600.00 filing fee.

2. Respondent is solely liable for:

Member Fees	= \$10,000.00
<u>Forum Fees</u>	<u>= \$15,600.00</u>
Total Fees	= \$25,600.00
<u>Less payments</u>	<u>= \$10,000.00</u>
Balance Due NASD Dispute Resolution	= \$15,600.00

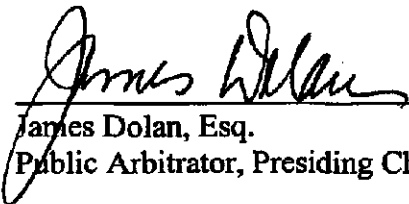
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James Dolan, Esq.	-	Public Arbitrator, Presiding Chair
J. Kirkland Grant	-	Public Arbitrator
Richard W. Sachse	-	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.



James Dolan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

J. Kirkland Grant
Public Arbitrator

Signature Date

Richard W. Sachse
Non-Public Arbitrator

Signature Date

March 11, 2004
Date of Service (For NASD Dispute Resolution use only)

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Signature Date



J. Kirkland Grant
Public Arbitrator

3-5-04

Signature Date

Richard W. Sachse
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

J. Kirkland Grant
Public Arbitrator

Signature Date



Richard W. Sachse
Non-Public Arbitrator

3/4/04

Signature Date

March 11, 2004

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