

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Rose A. Davis

and

04-07190
Nashville, Tennessee

Name of Respondents

Amerprise Financial Services f/k/a American Express Financial
Advisors, Inc.
IDS Life Insurance Company

Nature of the Dispute: Customer vs. Members.

REPRESENTATION OF PARTIES

Rose A. Davis ("Claimant") was represented by H. Naill Falls, Jr., Esq., Falls & Veach, Nashville, Tennessee.

Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. ("**Respondent Ameriprise**") and IDS Life Insurance Company ("**Respondent IDS**") hereinafter referred to as ("**Respondents**") were represented by John R. Jacobson, Esq. and Salvatore M. Hernandez, Esq., Bowen Riley Warnock & Jacobson, P.C., Nashville, Tennessee.

CASE INFORMATION

The Statement of Claim was filed on or about October 12, 2004. Submission Agreement of Claimant Rose A. Davis was signed and undated.

Statement of Answer was filed by Respondent Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. on or about December 6, 2004. Respondents' Statement of Answer (Amended) was filed by Respondents Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. and IDS Life Insurance Company on or about December 20, 2004. Submission Agreement of Respondent Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. was signed on October 27, 2004. Submission Agreement of Respondent IDS Life Insurance Company was signed on November 11, 2004.

CASE SUMMARY

Claimant alleged that:

The evidence in this case will clearly establish that respondents' representative recommended unsuitable transactions, failed to disclose material facts, gave reckless and negligent advice, and breached his fiduciary duties to claimant. This conduct violated state and federal securities laws and the common law of Tennessee.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated

Mrs. Rose A. Davis alleges, through her attorney, that the Respondent recommended an unsuitable Variable Universal Life (VUL) policy, an unsuitable Long-Term Care (LTC) policy, and unsuitable Real Estate Investment Trusts (REITs) and charged excessive fees for services rendered in the management of her account. The facts do not support these allegations.

There were reasonable bases for each of the recommendations; there was full and fair disclosure with regard to each of the recommendations; each recommendation was implemented with the explicit consent of the Claimant; and, the level of fees charged aligned with the complexity of the advice and the nature and degree of service provided.

In short, there was a reasonable, rational basis for each of the courses of action recommended by Mr. Martin. Mrs. Davis's personal and financial circumstances demanded that Mr. Martin provide assistance to Mrs. Davis well beyond that normally accorded an investment advisory client. There was no improper or evil motive, no reckless indifference, and no negligent or unconscionable action on the part of AEFA or its agents. Neither AEFA nor its agent breached its fiduciary duty to the Claimant, nor did AEFA fail to meet its supervisory responsibilities.

RELIEF REQUESTED

Claimant requested an award as follows:

1. Award judgment in favor of claimant and against respondents in the amount of all losses caused by respondents' misconduct, plus appropriate interest.
2. Award attorneys' fees, litigation expenses, and punitive damages in favor of claimant and against respondents.
3. Provide such further relief as the arbitration panel deems to be just and proper.

Respondents requested that the claims asserted against them be dismissed.

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 (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. and IDS Life Insurance Company are jointly and severally liable for and shall pay to Claimant Rose A Davis the sum of \$193,792.90 (**One Hundred Ninety Three Thousand Seven Hundred Ninety Two Dollars and Ninety Cents**) which sum includes an award of interest and attorneys' fees in the amount of \$15,000.00.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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 = \$250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) are Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. and IDS Life Insurance Company.

Member surcharge	\$	1,500.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,200.00
Total Member Fees	\$	4,450.00

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:

1	Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	450.00
	March 21, 2005	1	session		
1	Pre-hearing session(s) with Panel	x	1,000.00	\$	1,000.00
	March 10, 2005	1	session		
6	Hearing sessions	x	1,000.00	\$	6,000.00
	September 12, 2005	2	sessions		
	September 13, 2005	2	sessions		
	September 14, 2005	2	sessions		
	Total Forum Fees			\$	7,450.00

The Arbitration Panel has assessed \$7,450.00 of the forum fees jointly and severally to Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. and IDS Life Insurance Company.

Fee Summary

Claimant, Rose A. Davis, is liable for:

Initial Filing Fee	= \$	250.00
Total Fees	= \$	250.00
<u>Less payments</u>	= \$	-1,250.00
Balance to be refunded by NASD Dispute Resolution	= \$	-1,000.00

Respondent, Amerprise Financial Services f/k/a American Express Financial Advisors, Inc., is liable for:

Member Fees	= \$	4,450.00
Total Fees	= \$	4,450.00
<u>Less payments</u>	= \$	-4,450.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, IDS Life Insurance Company, is liable for:

Member Fees	= \$	4,450.00
Total Fees	= \$	4,450.00
<u>Less payments</u>	= \$	-4,450.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Amerprise Financial Services f/k/a American Express Financial Advisors, Inc. and IDS Life Insurance Company, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	7,450.00
Total Fees	= \$	7,450.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	7,450.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Fred W. Beesley, Jr., Esq. - Public Arbitrator, Presiding Chair
Fred M. Ridolphi, Jr., Esq. - Public Arbitrator
Phil Lubetkin - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Fred W. Beesley, Jr.

Fred W. Beesley, Jr., Esq.
Public Arbitrator, Presiding Chair

September 19, 2005

Signature Date

/s/ Fred M. Ridolphi, Jr.

Fred M. Ridolphi, Jr., Esq.
Public Arbitrator

September 20, 2005

Signature Date

/s/ Phil Lubetkin

Phil Lubetkin
Non-Public Arbitrator

September 19, 2005

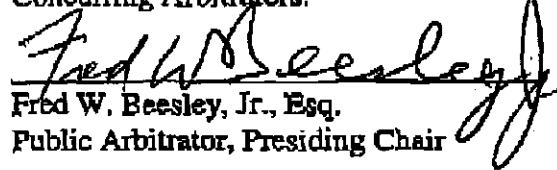
Signature Date

9/20/05

Date of Service (For NASD office use only)

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Arbitration No. 04-07190
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Public Arbitrator, Presiding Chair

Fred M. Ridolphi, Jr., Esq.
Public Arbitrator

Phil Lubetkin
Non-Public Arbitrator

Date of Service (For NASD office use only)

19 Sep 05
Signature Date

Signature Date

Signature Date

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NASD Dispute Resolution
Arbitration No. 04-07190
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Public Arbitrator, Presiding Chair

Fred M. Ridolphi, Jr., Esq.
Public Arbitrator

Phil Lubetkin
Non-Public Arbitrator

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