

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Rhoda Glass (Claimant) vs. American Express Financial Advisors, Inc., and Knut Lundberg (Respondents)

Case Number: 05-00043

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Rhoda Glass hereinafter referred to as "Claimant": Daniel J. Donovan, Esq., Donovan and Rainie, LLC, Baltimore, MD.

Respondents American Express Financial Advisors, Inc., ("American Express") and Knut Lundberg ("Lundberg") hereinafter referred to as "Respondents": Gary R. Irwin, Esq., Edgerton, Weaver & Irwin, Minneapolis, MN.

CASE INFORMATION

Statement of Claim filed on or about: January 4, 2005.

Claimant signed the Uniform Submission Agreement: December 27, 2004.

Joint Statement of Answer filed by Respondents on or about: January 6, 2005.

American Express did not sign the Uniform Submission Agreement.

Lundberg did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: common law fraud in the inducement; common law fraud in the execution; breach of contract; violation of the federal securities laws; violation of the New Jersey Securities Act; and, negligence. The causes of action relate to unspecified shares of common stock and unspecified mutual funds.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$39,234.56, \$8,518.17 as reimbursement of excessive fees and expenses, attorneys' fees, interest, and all other damages to be awarded by the Panel.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing are bound by the determination of the Panel on all issues submitted.

The parties have agreed that the Award in this matter may be entered 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to the Claimant \$40,000.00 plus simple interest thereon at 8% per annum accruing from August 20, 2004 until the date the award is paid in its entirety.
2. Respondents are jointly and severally liable for and shall pay to the Claimant \$175.00 as reimbursement of the filing fee.
3. Any and all relief not specifically addressed herein 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	= \$ 175.00
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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 persons at the time of the events giving rise to the dispute. Accordingly, American Express Financial Advisors, Inc., is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 at \$600.00 per session	= \$	600.00
Pre-hearing conference: May 18, 2005	1 session	
Four (4) Hearing sessions at \$600.00 per session	= \$	2,400.00
Hearing Dates: November 1, 2006	2 sessions	
November 2, 2006	2 sessions	
<hr/> Total Forum Fees		= \$ 3,000.00

The Panel has assessed \$3,000.00 of the forum fees, jointly and severally, against the Respondents.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$	175.00
<u>Total Fees</u>	= \$	175.00
<u>Less payments</u>	= \$	775.00
Refund due the Claimant	= \$	600.00

In accordance with the Award section above, Respondents are jointly and severally liable for and shall pay to Claimant \$175.00 to reimburse Claimant for the non-refundable filing fee previously paid to NASD Dispute Resolution.

2. Respondent American Express is solely liable for:

<u>Member Fees</u>	= \$	2,625.00
<u>Total Fees</u>	= \$	2,625.00
<u>Less payments</u>	= \$	2,625.00
Balance Due NASD Dispute Resolution	= \$	0.00

3. Respondents are jointly and severally liable for :

<u>Forum Fees</u>	= \$	3,000.00
<u>Total Fees</u>	= \$	3,000.00
<u>Less payments</u>	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	3,000.00

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

ARBITRATION PANEL

Hilary Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert E. Thompson, Esq.	-	Public Arbitrator
Raymond L. Aronson, 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 is which is my award.



Hilary Miller, Esq.
Public Arbitrator, Presiding Chairperson

11/3/06
Signature Date

Robert E. Thompson, Esq.
Public Arbitrator

Signature Date

Raymond L. Aronson, Esq.
Non-Public Arbitrator

Signature Date

November 6, 2006

Date of Service (For NASD Dispute Resolution use only)

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Robert E. Thompson, Esq.	-	Public Arbitrator
Raymond L. Aronson, Esq.	-	Non-Public Arbitrator

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Hilary Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert E. Thompson, Esq.
Public Arbitrator

Signature Date



Raymond L. Aronson, Esq.
Non-Public Arbitrator

11/3/2006

Signature Date

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Hilary Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Robert E. Thompson, Esq.
Public Arbitrator

11-5-06

Signature Date

Raymond L. Aronson, Esq.
Non-Public Arbitrator

Signature Date

November 6, 2006

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