

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Carol B. Donnelly

and

Case Number: 05-01376

Hearing Site: Southfield, Michigan

Respondents

American Express Financial Advisors, Inc.
n/k/a Ameriprise Financial Services
and David J. Booko

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Carol B. Donnelly ("Claimant") was represented by Paul R. Erickson, Esq., Gutglass, Erickson, Bonville, Seibel & Falkner, S.C., Milwaukee, Wisconsin.

American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services ("AEFA") and David J. Booko ("Booko"), collectively known as "Respondents," were jointly represented by Jeffrey Butwinick, Esq., Law Offices of Edgerton, Weaver & Irwin, L.L.C., Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about March 11, 2005. The Submission Agreement of Carol B. Donnelly was signed on or about October 27, 2004.

The Statement of Answer was filed jointly by AEFA and Booko on or about May 23, 2005. The Submission Agreement of AEFA was signed on or about April 4, 2005. The Submission Agreement of Booko was signed on or about April 12, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: violation of § 2310 NASD Conduct Rules (suitability) and of NYSE Rules 342, 401 and 405 "Know Your Customer Rules," violation of §§ 10(B) and 20 of the Securities Exchange Act of 1934, Rule 10B-5 of the Securities Exchange Commission and Mich. Comp. Laws §§ 451.501 and 451.502; intentional misrepresentation; negligent misrepresentation; breach of fiduciary duty and breach of the

implied covenant of good faith and fair dealing; breach of contract; and control person liability. The causes of action related to Claimant's allegation that Respondents placed her qualified IRA assets in unsuitable B-share mutual funds, an IDS AXP Retirement Advisor Variable Annuity; an IDS Flexible Premium Variable Life Insurance Policy; and CNL Hospitality Properties, Inc., a real estate investment trust.

Unless specifically admitted in their Answer, Respondents AEFA and Booko denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant has failed to state a cause of action upon which relief may be granted; Claimant has failed to demonstrate any actual damages; the alleged damage claimed is not the result of any act or omission on the part of Respondents; Claimant ratified and waived objections to all transactions or lack of transactions in her accounts; Claimant's claims are barred in part or in whole by the applicable statutes of limitations, and by the doctrine of laches; Claimant's damages were caused by or contributed to by her own negligence or fault; and Claimant has failed to act reasonably and mitigate her own losses.

RELIEF REQUESTED

Claimant requested an award in the amount of \$358,208.08 in compensatory damages, loss of use of invested capital in an amount to be proven at hearing, reimbursement of commissions, attorneys' fees, interest, costs, and any other relief the panel deemed appropriate.

Respondents requested that the claims asserted against them be dismissed and that costs be assessed against Claimant.

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 NASD Dispute Resolution ("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.) Respondents, American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services and David J. Booko are jointly and severally liable for and shall pay to Claimant, Carol B. Donnelly, the sum of \$210,000.00 in compensatory damages;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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 = \$ 300.00

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. In this matter, the member firm is American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services.

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

Forum Fees and Assessments

The Panel has assessed 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:

Two (2) Pre-hearing sessions with Panel x \$1,250.00 = \$ 2,250.00

Pre-hearing conferences: August 22, 2005 1 session
March 13, 2006 1 session

Seven (7) Hearing sessions x \$1,125.00 = \$ 7,875.00

Hearing Dates: May 9, 2006 2 sessions
May 10, 2006 3 sessions
May 11, 2006 2 sessions

Total Forum Fees = \$10,125.00

The Arbitration Panel has assessed \$5,062.50 of the forum fees to Carol B. Donnelly.

The Arbitration Panel has assessed \$5,062.50 of the forum fees jointly and severally to American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services and David J. Booko.

Fee Summary

Claimant, Carol B. Donnelly, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 5,062.50
Total Fees	= \$ 5,362.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services, David J. Booko, are jointly and severally liable for:

Forum Fees	= \$ 5,062.50
Total Fees	= \$ 5,062.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5,062.50

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

ARBITRATION PANEL

Michael Patterson, Esq. - Public Arbitrator, Presiding Chair
Sal Presti, CPA - Public Arbitrator
Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Michael Patterson, Esq.
Michael Patterson, Esq.
Public Arbitrator, Presiding Chair

May 12, 2006
Signature Date

/s/ Sal Presti, CPA
Sal Presti, CPA
Public Arbitrator

May 12, 2006
Signature Date

/s/ Chris D. Kontos
Chris D. Kontos
Non-Public Arbitrator

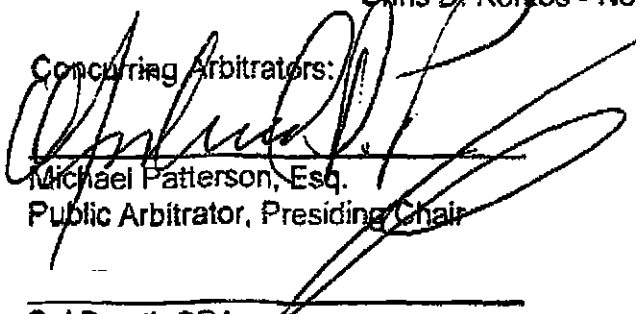
May 11, 2006
Signature Date

May 12, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Michael Patterson, Esq. - Public Arbitrator, Presiding Chair
Sal Presti, CPA - Public Arbitrator
Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:



Michael Patterson, Esq.
Public Arbitrator, Presiding Chair

5-12-06

Signature Date

Sal Presti, CPA
Public Arbitrator

Signature Date

Chris D. Kontos
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Michael Patterson, Esq. - Public Arbitrator, Presiding Chair
Sal Presti, CPA - Public Arbitrator
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Concurring Arbitrators:

Michael Patterson, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Sal Presti, CPA
Public Arbitrator

05/12/06

Signature Date

Chris D. Kontos
Non-Public Arbitrator

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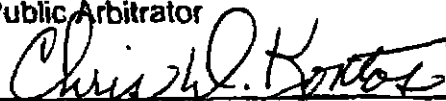
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Public Arbitrator, Presiding Chair

Signature Date

Sal Presti, CPA
Public Arbitrator

Signature Date



Chris D. Kontos
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)