

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

James Long and Delores Long

and

Case Number: 05-02462
Hearing Site: Southfield, Michigan

Respondents

American Express Financial Advisors, Inc.,
n/k/a Ameriprise Financial Services, Inc.,
IDS Life Insurance Company,
Thomas E. Smith, Jr., and Amy Taylor Smith

NATURE OF DISPUTE

Customers v. Members and Associated Persons

REPRESENTATION OF PARTIES

James Long and Delores Long ("Claimants") were represented by Anthony V. Trogan, Esq., Law Offices of Anthony V. Trogan PLLC, West Bloomfield, Michigan.

American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services, Inc. ("Ameriprise"), IDS Life Insurance Company ("IDS"), Thomas E. Smith, Jr. ("Smith, Jr."), and Amy Taylor Smith ("Smith"), hereinafter collectively referred to as "answering Respondents," were represented by Gary R. Irwin, Esq., Edgerton Weaver & Irwin LLC, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about May 10, 2005. The Submission Agreement of James Long and Delores Long was signed on or about May 4, 2005.

The Statement of Answer was filed jointly by Ameriprise, Smith Jr., and Smith, on or about July 15, 2005. The Submission Agreement of Ameriprise was signed on or about July 18, 2005.

CASE SUMMARY

Claimants asserted the following legal theories in support of their claim: breach of contract, common law fraud, conspiracy, promissory estoppel, negligence, malpractice, breach of fiduciary duty, and breach of Michigan securities law. The causes of action related to Claimants' allegations that Respondents recommended and sold unspecified growth, aggressive growth and international securities to Claimants which were in contravention of their conservative investment goals and their strong aversion to investment risk and the loss of capital.

Unless specifically admitted in their Answer, Respondents Ameriprise, Smith Jr., and Smith denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants have failed to state a cause of action upon which relief may be granted; Claimants have failed to demonstrate any actual damages; and the alleged damages claimed by Claimants is not the result of any act or omission on the part of Respondents.

RELIEF REQUESTED

Claimants requested:

Compensatory damages	\$ 121,000.00
Punitive and Exemplary Damages	\$ unspecified
Interest	\$ unspecified
Attorneys' Fees	\$ unspecified
Other Costs	\$ unspecified
Other Monetary/Non-Monetary Relief:	rescission, additional and alternate damages

Respondents Ameriprise, Smith, Jr., and Smith requested that the claims asserted against them be dismissed in their entirety and that costs be assessed against Claimants.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Thomas E. Smith, Jr., and Amy Taylor Smith did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, and appeared and testified at the hearing are bound by the determination of the arbitration panel on all issues submitted.

At the hearing, IDS and the answering Respondents requested that IDS be included in the Statement of Answer submitted by the answering Respondents. Claimant did not object. The panel granted Respondents' oral request for leave to amend the Statement of Answer to include IDS and accepted the oral amendment. IDS submitted an undated Submission Agreement to the panel at the hearing.

At the hearing Thomas E. Smith, Jr., and Amy Taylor Smith requested expungement of all references to this matter from their CRD records.

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, Inc., is liable for and shall pay to Claimants, James Long and Delores Long, the sum of \$25,000.00 in compensatory damages;
- 2.) Claimants' claims against Respondents Thomas E. Smith, Jr., Amy Taylor Smith, and IDS Life Insurance Company are denied and dismissed with prejudice;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any relief not specifically enumerated, including punitive damages, attorneys' fees, and expungement 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
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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 firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms are American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services, Inc., and IDS Life Insurance Company.

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 and each decision rendered on a discovery-related motion on the papers. 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:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00
Pre-hearing conference: October 7, 2005 1 session

Six (6) Hearing sessions x \$1,125.00 = \$ 6,750.00
Hearing Dates: June 6, 2006 2 sessions
June 7, 2006 2 sessions
June 8, 2006 2 sessions

Total Forum Fees = \$ 7,875.00

The Arbitration Panel has assessed \$3,937.50 of the forum fees jointly and severally to James Long and Delores Long.

The Arbitration Panel has assessed \$3,937.50 of the forum fees solely to American Express Financial Advisors, Inc. n/k/a Ameriprise Financial Services, Inc.

Fee Summary

Claimants, James Long and Delores Long, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 4,237.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 2,812.50

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

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 9,137.50
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

Respondent, American IDS Life Insurance Company, is solely liable for:

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

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

ARBITRATION PANEL

Robert J. Scafuri, Esq. - Public Arbitrator, Presiding Chair
Walter H. Clements, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Robert J. Scafuri, Esq.
Robert J. Scafuri, Esq.
Public Arbitrator, Presiding Chair

06/15/06
Signature Date

/s/ Walter H. Clements, Esq.
Walter H. Clements, Esq.
Public Arbitrator

06/14/06
Signature Date

/s/ Joseph H. Mizzi
Joseph H. Mizzi
Non-Public Arbitrator

06/14/06
Signature Date

06/15/06
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair



Signature Date

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Public Arbitrator

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Public Arbitrator

6-14-06
Signature Date

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Non-Public Arbitrator

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Public Arbitrator

Signature Date



Joseph H. Mizzi
Non-Public Arbitrator

6-14-2006

Signature Date

Date of Service (For NASD office use only)