

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Ilien Towbin and Gerald Towbin

vs.

Case Number: 06-00093
Hearing Site: St. Louis, Missouri

Name of Respondent

Ameriprise Financial Services, Inc.

NATURE OF THE DISPUTE

Customer vs. Member

REPRESENTATION OF PARTIES

Ilien Towbin and Gerald Towbin ("Claimants") were represented by Stuart R. Berkowitz, Esq., Law Office of Stuart R. Berkowitz, LLC, St. Louis, Missouri.

Ameriprise Financial Services, Inc. ("Respondent") was represented by Gary R. Irwin, Esq., Gary Irwin & Associates LLC, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about January 6, 2006. The Submission Agreement of Claimants was signed, but not dated.

The Statement of Answer was filed by Respondent on or about March 1, 2006. The Submission Agreement of Respondent was signed on or about January 26, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: suitability and failure to supervise. The causes of action related to the recommendation and purchase of aggressive funds and variable annuities which Claimants alleged were unsuitable given Claimants' stated objectives.

Unless specifically admitted in its Answer, Respondent 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 can be granted; Claimants have

failed to demonstrate any actual damages; the alleged damage claimed are not the result of any act or omission on the part of the Respondent; the actions or inactions of Claimants caused whatever unknown losses of which they now complain; Claimants ratified and waived objection to all transactions by failing to object to such transactions after receipt of the confirmations and written statements; Claimants, by their conduct, are estopped from asserting their claims; stock market events and fluctuations constitute a superseding or intervening cause of some or all alleged damages; any and all duties owed to Claimants by Respondent were fully and faithfully performed; Claimants' damages were the fault of persons and factors and circumstances over which Respondent exercised no control, and for whose actions they are not responsible; there was no negligence on the part of Respondent in handling Claimants' accounts; Claimants' claims are barred, in whole or in part, by the applicable statute of limitations, and by the doctrine of laches; Claimants' damages were caused by or contributed to by their own negligence or fault; Respondent did not act with any intent to defraud Claimants or with any willful disregard for them; and Claimants have failed to mitigate their losses.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$90,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

At hearing, the Respondent presented a Motion to Exclude all damages prior to the 6-year eligibility requirement. Claimants stipulated to the exclusion and deleted any such damages from their damage calculation.

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, the testimony, and the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, Ameriprise Financial Services, Inc., is liable for and shall

pay to Claimants, Ilie Towbin and Gerald Towbin, the sum of \$30,000.00 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 attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 225.00

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 Ameriprise Financial Services, Inc.

Member surcharge = \$ 1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 1,700.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing 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 x \$750.00 = \$ 750.00
Pre-hearing conference: May 9, 2006 1 session

Five (5) Hearing sessions x \$750.00 = \$ 3,750.00
Hearing Dates: January 23, 2007 2 sessions
January 24, 2007 3 sessions

Total Forum Fees = \$ 4,500.00

The Panel has assessed \$4,500.00 of the forum fees to Ameriprise Financial Services, Inc.

FEE SUMMARY

Claimants, Ilien Towbin and Gerald Towbin, are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$	225.00
<u>Total Fees</u>	= \$	225.00
<u>Less payments</u>	= \$	975.00
<u>Refunded Due Claimants</u>	= \$	750.00

Respondent, Ameriprise Financial Services, Inc., is liable for:

<u>Member Fees</u>	= \$	3,550.00
<u>Forum Fees</u>	= \$	4,500.00
<u>Total Fees</u>	= \$	8,050.00
<u>Less payments</u>	= \$	3,550.00
<u>Balance Due NASD Dispute Resolution</u>	= \$	4,500.00

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

ARBITRATION PANEL

Thomas J. Ray, Esq. - Public Arbitrator, Presiding Chair
Robert W. Dempsey - Public Arbitrator
Hugh V. Murray - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Thomas J. Ray, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert W. Dempsey
Public Arbitrator

Signature Date

Hugh V. Murray
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

The Panel has assessed \$4,500.00 of the forum fees to Ameriprise Financial Services, Inc.

FEES SUMMARY

Claimants, Ilene Towbin and Gerald Towbin, are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$	225.00
<u>Total Fees</u>	= \$	225.00
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Thomas J. Ray, Esq.
Public Arbitrator, Presiding Chair

2/8/07

Signature Date

Robert W. Dempsey
Public Arbitrator

Signature Date

Hugh V. Murray
Non-Public Arbitrator

Signature Date

2/9/07 HVM

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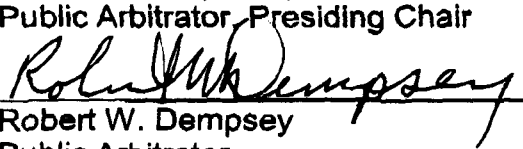
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Public Arbitrator, Presiding Chair


Robert W. Dempsey
Public Arbitrator

Signature Date

2-3-07

Signature Date

Hugh V. Murray
Non-Public Arbitrator

Signature Date

2/9/07 MM

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Thomas J. Ray, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert W. Dempsey
Public Arbitrator

Signature Date

Hugh V. Murray

Hugh V. Murray
Non-Public Arbitrator

2-10-2007

Signature Date

2/9/07 mcm

Date of Service (For NASD office use only)