

FINRA Dispute Resolution
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Los Angeles, CA 90071
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Number of Pages including the Cover Sheet 14

Date: 2/15/08

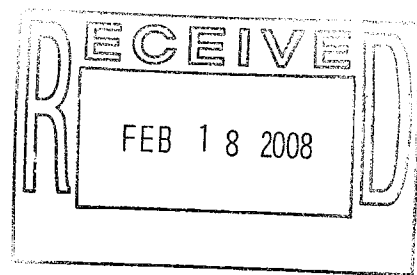
Case Number: 07-00117

Case Name: David Franck vs. Ameriprise Financial Services, Inc.

To: Debra Hayes
Phone: 713-862-2152 Fax: 713-861-7466

From: Audrey C. Philips *MM*
Case Administrator

Message:



This facsimile transmission is intended only for the addressee(s) shown above. It may contain information that is privileged, confidential, or otherwise protected from disclosure. Any review, dissemination or use of this transmission or its contents by persons other than addressee is strictly prohibited. If you have received this transmission in error, please notify us immediately by telephone at the above number.

February 15, 2008

Debra Hayes, Esq.
Woska & Hayes, LLP
1235 North Loop West
Suite 510
Houston, TX 77008

Subject: FINRA Dispute Resolution Arbitration Number 07-00117
David Franck vs. Ameriprise Financial Services, Inc.

Dear Ms. Hayes:

In accordance with NASD Rules, I enclose the decision reached by the arbitrator(s) in the above-referenced matter.

Responsibility to Pay Monetary Award

Pursuant to NASD Rules,¹ the responsible party must pay any monetary awards within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. If an award is not paid within 30 days, the responsible party must pay post-judgment interest at the legal rate or as provided in the award by the arbitrator(s).

Tracking Payment of Award

FINRA Dispute Resolution has implemented a system of monitoring and tracking compliance with arbitration awards by members and associated persons. We request prevailing claimants to notify us in writing when their awards have not been paid within 30 days of receipt of the award, and require member firms to certify in writing that they have complied with awards against them or their associated persons. The 30-day period ends on: March 17, 2008.

Written notification concerning award compliance or lack thereof must be directed to:

Avichai Badash
FINRA Dispute Resolution
One Liberty Plaza,
165 Broadway, 52nd Floor
New York, NY 10006

¹Customer Code Rule 12904
Industry Code Rule 13904
Old Code Rule 10330(h)

212-858-4325 (tel) 301-527-4739 (fax)

Expedited Suspension Proceedings for Non-Payment of Awards

Members and associated persons who do not comply with an award in a timely manner are subject to expedited suspension proceedings as set forth in Rule 9554, which is part of the NASD Manual.

Right to File Motion to Vacate Award

All awards are **final** and are not subject to review or appeal by the arbitration panel or by FINRA Dispute Resolution. Any party wishing to challenge the award must make a motion to vacate the award in a **federal or state court** of appropriate jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. § 10, or applicable state statute. There are limited grounds for vacating an arbitration award, and a party must bring a motion to vacate within the time period specified by the applicable statute. Parties and counsel should consult federal and state statutes and case law to determine the appropriate court, standards, and time limitations in their individual circumstances. FINRA Dispute Resolution is not authorized to provide legal advice concerning a motion to vacate.

A motion to vacate, confirm, or modify an arbitration award is a matter only between the parties to the arbitration. FINRA Dispute Resolution is not a proper party to post-award motions and should not be named as a party to any post-award motion. However, for cases filed on or after April 12, 2004, if the award contains expungement relief, or if a party seeks expungement relief in court, there may be a duty to name FINRA as a party as provided in Rule 2130.

Questions Concerning Award

Please direct any questions regarding this award to me. **The parties must not contact the arbitrators directly.**

Forum Fees

Enclosed is an invoice that reflects the fees assessed and any outstanding balances. Fees are payable to FINRA Dispute Resolution.

If a refund is due, it will be sent under separate cover. All refunds, even if payment is made by a non-party on behalf of a party, will be made payable to the party and will be sent in care of the party's representative.

Arbitration Evaluation

As a service organization, the primary goals of FINRA Dispute Resolution are the integrity of its process and the satisfaction of its clients. To ensure that we are meeting your needs and satisfying our commitment to you, **we need to hear from you.** If you have not already done so, please take the time to complete an evaluation of our services, the process, and the arbitrator(s) assigned to your case. For your convenience, we have now made it possible for you to evaluate our services using the Internet. Please direct your Web browser to <http://www.finra.org/arbevaluation>.

If you do not have Internet access, or have difficulty completing the evaluation form online, we will send

a hard copy evaluation form to you. The completed evaluation form should be mailed in to the address indicated below. If you need a hard copy of the evaluation form, please contact the undersigned. Whenever possible, however, we encourage you to use the new online version, as it will help us to review your feedback in a more expeditious manner. Your feedback is a valuable and necessary component in our efforts to serve you better.

Very truly yours,



Audrey C. Philips
Case Administrator
213-613-2680 Fax: 301-527-4766

ACP:HYY:LC09A
idr:01/23/08

RECIPIENTS:

Debra Hayes, Esq., David Franck
Woska & Hayes, LLP, 1235 North Loop West, Suite 510, Houston, TX 77008

Gretchen A. Agee, Esq., Ameriprise Financial Services
Dorsey & Whitney LLP, 50 South Sixth Street, Suite 1500, Minneapolis,
MN 55402-1498

STATEMENT OF ACCOUNT

FINRA Dispute Resolution
 300 South Grand Avenue, Suite 900
 Los Angeles, CA 90071

As of: 02/15/2008

TO: Debra Hayes, Esq.
 Woska & Hayes, LLP
 1235 North Loop West
 Suite 510
 Houston, TX 77008

FOR: David Franck (CW)
 Hayden, ID

Invoice#: 07-00117-142-SF

Case Number: 07-00117
 Name: David Franck vs. Ameriprise Financial Services, Inc.

Date	Multiple Party	Description	Fees Owed	Credits	Check No.	Check Date
01/16/2007		Check No: 7592		\$1,425.00		
01/18/2007		Filing Fee - Initial Claim	\$250.00			
01/18/2007		Hearing Session Deposit - Initial Claim	\$1,000.00			
02/15/2008		Reduced: Hearing Session Deposit - Initial Claim	\$1,000.00			
02/15/2008		Forum Fee/Hearing Session Fee	\$3,500.00			
Mediation Fee Total:			\$.00			
Arbitration Fee Total:			\$3,750.00			
Total Fees:			\$3,750.00			
Credits To Date:				\$1,425.00		
Credits By Others:				\$.00		
Less Credits To Others:				\$.00		
Less Refunds:				\$.00		
Balance Due:			\$2,325.00			

Please Make Check Payable to:

FINRA Dispute Resolution
 W9530
 P.O. Box 7777
 Philadelphia, PA 19175-9530

HYY: RF02A

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$1,000.00/session = \$2,000.00

Pre-hearing conferences:	June 5, 2007	1 session
	January 11, 2008	1 session

(5) Hearing sessions @ \$1,000.00/session = \$5,000.00

Hearings:	January 16, 2008	2 sessions
	January 17, 2008	2 sessions
	January 18, 2008	1 session

Total Forum Fees = \$7,000.00

1. The Panel assessed \$3,500.00 of the forum fees Claimant.
2. The Panel assessed \$3,500.00 of the forum fees to Respondent.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 3,500.00
Total Fees	= \$ 3,750.00
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 2,325.00

2. Respondent is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
Forum Fees	= \$ 3,500.00
Total Fees	= \$ 7,950.00
Less payments	= \$(4,450.00)
Balance Due NASD Dispute Resolution	= \$ 3,500.00

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

STATEMENT OF ACCOUNT

FINRA Dispute Resolution
 300 South Grand Avenue, Suite 900
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As of: 02/15/2008

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FOR: David Franck (CW)
 Hayden, ID

Invoice#: 07-00117-142-SF

Case Number: 07 00117
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Date	Multiple Party	Description	Fees Owed	Credits	Check No.	Check Date
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01/19/2007		Filing Fee - Initial Claim	\$250.00			
01/19/2007		Hearing Session Deposit - Initial Claim	\$1,000.00			
02/15/2008		Reduced: Hearing Session Deposit - Initial Claim	-\$1,000.00			
02/15/2008		Forum Fee/Hearing Session Fee	\$3,500.00			
Mediation Fee Total:			\$8.00			
Arbitration Fee Total:			\$3,750.00			
Total Fees:			\$3,750.00			
Credits To Date:				\$1,425.00		
Credits By Others:				\$0.00		
Less Credits To Others:				\$0.00		
Less Refunds:				\$0.00		
Balance Due:			\$2,325.00			

Please Make Check Payable to:

FINRA Dispute Resolution
 W9530
 P.O. Box 7777
 Philadelphia, PA 19175-9530

HYY: RF02A

DUPLICATE INVOICE:
 Please return this
 invoice with payment

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:
David Franck, Claimant

Case Number: 07-00117

Ameriprise Financial Services, Inc., Respondent

Hearing Site: Boise, Idaho

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant David Franck: Debra Hayes, Esq., Charles C. Hunter, Esq., Woska & Hayes, LLP, Houston, Texas

For Respondent Ameriprise Financial Services, Inc.: Thomas P. Swigert, Esq., Gretchen A. Agee, Esq., Dorsey & Whitney LLP, Minneapolis, Minnesota

CASE INFORMATION

Statement of Claim filed: January 9, 2007

Claimant's Uniform Submission Agreement signed: July 17, 2006

Statement of Answer filed by Respondent: April 6, 2007

Respondent's Uniform Submission Agreement signed: Undated

FINRA Dispute Resolution
Arbitration No. 07-00117
Award Page 2 of 5

CASE SUMMARY

Claimant alleged breach of fiduciary duty, breach of contract, unsuitability, failure to diversify, failure to supervise, violation of NASD Rules of Fair Practice, Article 111, violation of Idaho Uniform Securities Act, violation of Idaho Consumer Protection Act, Idaho Code §§ 48-603(17) and 48-608, intentional and negligent misrepresentation, unjust enrichment and breach of good faith and fair dealing. Claimant's allegations involved proprietary mutual funds such as AXP Equity Select Fund, AXP New Dimensions, AXP Progressive Fund, AXP Growth Fund, AXP Global Fund and AXP European Fund.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, unspecified punitive damages, pre- and post-judgment interest and costs, including attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Respondent moved the Panel to issue an Order dismissing the Statement of Claim pursuant to NASD Code of Arbitration Procedure Rules 10304 and 10305. Claimant opposed the motion on the ground that the tort was continuous and that the NASD Rules did not apply. After due deliberation of the evidence, witnesses and testimony presented by the parties in this matter, the Panel denied the motion.

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

- 1) Respondent is liable to and shall pay Claimant the sum of \$171,307.00 in compensatory damages.
- 2) Respondent is liable to and shall pay Claimant the sum of \$16,090.00 as reimbursement for costs.
- 3) Respondent is liable to and shall pay Claimant the sum of \$77,088.00 in attorney's fees, pursuant to Idaho securities law ID Code §30-14-509.
- 4) Except as noted above, the parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 250.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Ameriprise Financial Services, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,200.00
Total Member Fees	= \$ 4,450.00

FINRA Dispute Resolution
Arbitration No. 07-00117
Award Page 5 of 5

ARBITRATION PANEL

James G. Harlan	-	Public Arbitrator, Presiding Chair
Dale G. Higer	-	Public Arbitrator
Gary L. Vezina	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James G. Harlan
Chair, Public Arbitrator

Signature Date

Dale G. Higer
Public Arbitrator

Signature Date

Gary L. Vezina
Non-Public Arbitrator

Signature Date

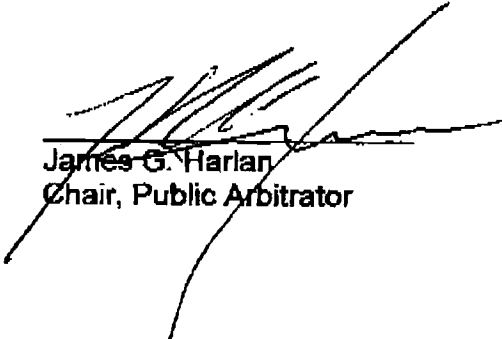
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Arbitration No. 07-00117
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Chair, Public Arbitrator

2/15/2008
Signature Date

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Public Arbitrator

Signature Date

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Signature Date

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Arbitration No. 07-00117
Award Page 5 of 5

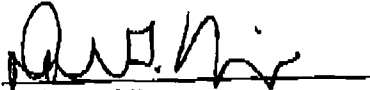
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Chair, Public Arbitrator

Signature Date



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Public Arbitrator

2/15/2008

Signature Date

Gary L. Vezina
Non-Public Arbitrator

Signature Date

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FINRA Dispute Resolution
Arbitration No. 07-00117
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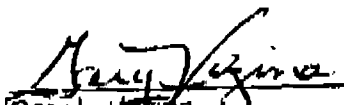
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Signature Date

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