

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

Case Number: [REDACTED]

vs.

Respondent

Hearing Site: Detroit, Michigan

Ameriprise Financial Services, Inc.

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant [REDACTED]. ("Claimant"): Owen Harnett, Esq., AdvisorLaw LLC, Broomfield, Colorado.

For Respondent Ameriprise Financial Services, Inc. ("Respondent"): Howard M. Klausmeier, Esq., Ameriprise Financial Inc., Troy, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: August 21, 2017.
Claimant signed the Submission Agreement: August 21, 2017.

Statement of Answer filed on or about: November 9, 2017.
Respondent signed the Submission Agreement: November 9, 2017.

CASE SUMMARY

Claimant asserted a claim seeking expungement of the underlying customer complaint ("Underlying Complaint") reflected as Occurrence Number [REDACTED] from his registration records maintained by the Central Registration Depository ("CRD").

Respondent had no objection to and concurred in Claimant's request for expungement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

Compensatory Damages:	\$1.00
Other Monetary Relief:	Unspecified
Other Non-Monetary Relief:	Expungement

In the Statement of Answer, Respondent requested issuance of an award recommending expungement of the Underlying Complaint from Claimant's registration records maintained by the CRD.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

On or about February 14, 2018, Claimant filed an Affidavit of Service relating to service of the Statement of Claim, Statement of Answer, and Initial Pre-Hearing Conference Scheduling Order on Customer P.A.

The Arbitrator confirmed that Customer P.A. was provided notice of the expungement hearing.

The Arbitrator conducted a recorded, telephonic hearing on June 6, 2018 so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and did not contest the request for expungement.

Customer P.A. did not participate in the expungement hearing and did not file a claim or court case against Claimant. Customer P.A. did not contest the request for expungement.

The Arbitrator reviewed Claimant's BrokerCheck® Report.

The Arbitrator found that there was no settlement in this claim or in the Underlying Complaint.

The Arbitrator noted that the Claimant did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: exhibits 1, 2, 7, 9, and 21.

AWARD

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

1. Claimant's claim of \$1.00 in compensatory damages is denied.
2. The Arbitrator recommends the expungement of all references to Occurrence Number [REDACTED] from registration records maintained by the Central Registration Depository ("CRD") for Claimant [REDACTED] (CRD [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant [REDACTED]

[REDACTED] must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

- The claim, allegation, or information is factually impossible or clearly erroneous;
- The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and
- The claim, allegation, or information is false.

The Arbitrator has made the above Rule 2080 findings based on the following reasons:

Customer P.A.'s claim that "the March 2011 purchase of [the Disputed Investment] was misrepresented" is clearly erroneous, factually impossible, and false, and therefore, meets both the FINRA Rule 2080(b)(1)(A) standard and the Rule 2080(b)(1)(C) standard for expungement.

On March 1, 2011, Customer P.A. emailed Claimant looking for a hedge against an issue in the market. The same day, Claimant responded to Customer P.A. with an interest rate hedge portfolio by First Trust.

On March 15, 2011, Customer P.A. sent the Claimant an email requesting Claimant's thoughts regarding good buying opportunities. Claimant responded, mentioning the Disputed Investment and informed Customer P.A. that the yield was expected to be around seven percent. Claimant and Customer P.A. agreed that the Disputed Investment offered diversification.

The claim is factually impossible because Claimant informed Customer P.A. of the expectation that the Disputed Investment would support the \$20.00 price in the open market for around the first 30 days of trading, and the Disputed Investment held the \$20.00 per share value as expected for one month following Customer P.A.'s investment.

The claim is clearly erroneous because Claimant reviewed the details of the Disputed Investment with Customer P.A., including: (a) the fees, (b) the risks per the prospectus, (c) the information regarding BlackRock as a company, (d) the areas in which the fund would invest, and (e) that BlackRock would use options to increase the portfolio's income. Claimant did not offer any expectation of the Disputed Investment's performance, as

he did not know what the performance would be or how it would trade in the open market.

The claim is false, because Customer P.A.'s dissatisfaction apparently arose from a misunderstanding regarding the nature of the Disputed Investment in combination with market performance. While Claimant had presented the interest rate hedge portfolio by First Trust to address Customer P.A.'s expressed desire for a hedge against a major issue in the market, Claimant recommended the Disputed Investment two weeks later, in response to Customer P.A.'s separately stated desire for good buying opportunities and because it provided growth stocks with dividends. Claimant did not represent that the Disputed Investment was supposed to be independent of the market.

Because Claimant made no misrepresentations and performed his duties as a representative in a thorough, ethical, and professional manner, the public disclosure of the allegations herein does not offer public protection and has no regulatory value.

3. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 50.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$ 150.00
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Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

May 3, 2018, postponement by Claimant	WAIVED
Total Postponements Fees	WAIVED

The Arbitrator has waived the \$50.00 postponement fee.

Last Minute Cancellation Fees

Fees apply when a hearing is postponed within ten calendar days before the start of a scheduled hearing session:

May 3, 2018, postponement requested by Claimant	= \$ 600.00
<hr/> Total Last Minute Cancellation Fees	<hr/> = \$ 600.00

The Arbitrator has assessed the \$600.00 last minute cancellation fees to Claimant.

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session	= \$ 50.00
Pre-hearing conference: January 18, 2018	1 session
One (1) hearing session on expungement request @ \$50.00/session	= \$ 50.00
Hearing Date: June 6, 2018	1 session
<hr/> Total Hearing Session Fees	<hr/> = \$ 100.00

The Arbitrator has assessed the \$100.00 hearing session fees to Claimant.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATOR

Lee Hornberger

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

/s/ Lee Hornberger

Lee Hornberger
Sole Public Arbitrator

06/14/2018

Signature Date

06/14/2018

Date of Service (For FINRA Office of Dispute Resolution office use only)

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Lee Hornberger

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Arbitrator's Signature



Lee Hornberger
Sole Public Arbitrator

6.14.2018

Signature Date

Date of Service (For FINRA Office of Dispute Resolution office use only)