

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Dale Hadel, an individual,
Global Technology, Inc., a Michigan corporation,
and the Dale Hadel Family Trust

Case Number: 19-01813

vs.

Respondent

Ameriprise Financial Services, Inc.

Hearing Site: Detroit, Michigan

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Dale Hadel, an individual (“Hadel”), Global Technology, Inc., a Michigan corporation, and the Dale Hadel Family Trust, collectively, “Claimants”: Mark Kowalsky, Esq., Jaffe Raitt Heuer & Weiss, PC, Southfield, Michigan.

For Respondent Ameriprise Financial Services, LLC (“Respondent”): Edward Walton, Esq., Ameriprise Financial, Inc., Troy, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: June 26, 2019.

Claimants signed the Submission Agreement: June 25, 2019.

Statement of Answer filed on or about: September 10, 2019.

Amended Statement of Answer filed on or about: September 25, 2019.

Respondent signed the Submission Agreement: September 3, 2019.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: violation of FINRA Rules 3110 and 3120, breach of contract, breach of fiduciary duty, negligence, negligent

supervision, control person liability, and respondeat superior. The causes of action related to Claimants' allegations that Unnamed Party Alexander Waschull ("Waschull") solicited loans from Hadel, in violation of FINRA Rules. Further, Claimants alleged that Respondent failed to oversee and monitor Waschull's activities, meet its obligations, and its other duties.

Unless specifically admitted in the Amended Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested recovery of \$118,000.00 owed to them by Waschull; recovery of \$11,506.75 in attorneys' fees paid to prepare loan documents; and all statutory damages allowable, tax liability incurred, costs, interest, attorneys' fees, and if the Arbitrators deem appropriate, punitive or exemplary damages.

In the Amended Statement of Answer, Respondent requested that the Arbitrators dismiss the Statement of Claim in its entirety, award Respondent its costs for defending this claim, and grant such other and further relief as the Panel deems fair, just, and equitable.

At the hearing, Claimant requested compensatory damages of \$101,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

On March 4, 2020, Respondent filed a Motion for Sanctions and to Compel Immediate Cooperation with Discovery ("Motion for Sanctions"). On March 16, 2020, Claimant filed a Response to the Motion for Sanctions. On March 17, 2020, Respondent filed a Reply in Support of the Motion for Sanctions. On April 3, 2020, the Panel held a prehearing on the Motion for Sanctions and, in an Order dated the same day, indicated that its ruling on the Motion for Sanctions was reflected entirely in its assessments of costs for the prehearing conference and indicated that no further sanction relief was granted.

On July 28, 2020, Respondent filed a Second Motion for Sanctions and Third Motion to Compel ("Second Motion for Sanctions"). On August 7, 2020, Claimant filed an Opposition to the Second Motion for Sanctions. On August 12, 2020, Respondent filed a Reply in Support of the Second Motion for Sanctions. In an Order dated August 28, 2020, the Panel granted the Second Motion for Sanctions and ordered Claimants to pay monetary sanctions to Respondent in the amount of \$2,500.00 on or before September 30, 2020.

The Award in this matter may be executed in counterpart copies.

AWARD

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

1. Claimants' claims are denied in their entirety.
2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	= \$	1,425.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$	1,700.00
Member Process Fee	= \$	3,250.00

Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

April 22, 2020, cancellation requested by the parties	= \$	100.00
May 8, 2020, cancellation requested by the parties	= \$	100.00

Total Late Pre-Hearing Cancellation Fees	= \$	200.00
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The Panel has assessed \$100.00 of the late pre-hearing cancellation fees jointly and severally to Claimants.

The Panel has assessed \$100.00 of the late pre-hearing cancellation fees to Respondent.

Postponement Fees

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

June 24-25, 2020, postponement requested by Respondent	= \$	1,125.00
September 21, 2021, postponement requested by the parties	= \$	1,125.00

Total Postponement Fees	= \$	2,250.00
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The Panel has assessed \$1,687.50 of the postponement fees jointly and severally to Claimants.

The Panel has assessed \$562.50 of the postponement fees to Respondent.

Last-Minute Cancellation Fees

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

September 21, 2021, cancellation requested by the parties	= \$	1,800.00
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Total Last-Minute Cancellation Fees	= \$	1,800.00

The Panel has assessed \$900.00 of the last-minute cancellation fees jointly and severally to Claimants.

The Panel has assessed \$900.00 of the last-minute cancellation fees to Respondent.

Hearing Session Fees and Assessments

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

Two (2) pre-hearing sessions with a single Arbitrator @ \$450.00/session	= \$	900.00
Pre-Hearing Conferences: January 29, 2020	1 session	
May 26, 2020	1 session	
Six (6) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	6,750.00
Pre-Hearing Conferences: November 8, 2019	1 session	
March 27, 2020	1 session	
April 3, 2020	1 session	
August 27, 2020	1 session	
October 12, 2020	1 session	
September 24, 2021	1 session	
Ten (10) hearing sessions @ \$1,125.00/session	= \$	11,250.00
Hearings: September 22, 2021	2 sessions	
September 23, 2021	2 sessions	
November 22, 2021	2 sessions	
December 21, 2021	2 sessions	
December 22, 2021	2 sessions	
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Total Hearing Session Fees	= \$	18,900.00

The Panel has assessed \$10,800.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$8,100.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Patrick R. Sughroue	-	Public Arbitrator, Presiding Chairperson
Earlene R. Baggett-Hayes	-	Public Arbitrator
Dale Frederick Feigley	-	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.

Concurring Arbitrators' Signatures

Patrick R. Sughroue

Patrick R. Sughroue
Public Arbitrator, Presiding Chairperson

12/30/2021

Signature Date

Earlene R. Baggett-Hayes

Earlene R. Baggett-Hayes
Public Arbitrator

12/30/2021

Signature Date

Dale Frederick Feigley

Dale Frederick Feigley
Public Arbitrator

12/29/2021

Signature Date

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December 31, 2021

Date of Service (For FINRA Dispute Resolution Services use only)