

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
Edward Jones

Case Number: 19-03340

vs.

Respondents  
Ameriprise Financial Services, LLC  
Michael Lloyd Peterson, Jr.

Hearing Site: Las Vegas, Nevada

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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: Member vs. Member and Associated Person  
Member vs. Member  
Associated Person vs. Member

**REPRESENTATION OF PARTIES**

For Claimant Edward Jones (“Claimant”): Christopher A. Pickett, Esq. and Caitlyn Meyers, Esq., Greensfelder, Hemker & Gale, P.C., St Louis, Missouri.

For Respondent Ameriprise Financial Services, LLC (“Ameriprise Financial”): James E. Heavey, Esq., Barton, LLP, New York, New York.

For Respondent Michael Lloyd Peterson, Jr. (“Peterson”): Danya W. Blair, Esq., Akerman LLP, San Antonio, Texas.

Hereinafter, Ameriprise Financial and Peterson are collectively referred to as “Respondents”.

**CASE INFORMATION**

Statement of Claim filed on or about: November 8, 2019.

First Amended Statement of Claim filed on or about: January 3, 2020.

Claimant’s Answer to Respondents’ Counterclaims filed on or about: February 26, 2020.

Second Amended Statement of Claim filed on or about: September 29, 2020.

Claimant’s Answer to Respondents’ Counterclaims in Response to Claimant’s Second Amended Statement of Claim filed on or about: December 11, 2020.

Claimant signed the Submission Agreement: November 8, 2019.

Statement of Answer in Response to Claimant’s Claim for Permanent Injunctive Relief filed by

Peterson on or about: November 26, 2019.

Ameriprise Financial's Memorandum of Law in Opposition to Claimant's Claim for Injunction filed on or about: November 29, 2019.

Statement of Answer and Counterclaims in Response to Claimant's First Amended Statement of Claim filed by Peterson on or about: February 7, 2020.

Statement of Answer, Affirmative Defenses and Counterclaims filed by Ameriprise Financial on or about: February 7, 2020.

Statement of Answer, Affirmative Defenses and Counterclaims in Response to Claimant's Second Amended Statement of Claim filed by Ameriprise Financial on or about: November 20, 2020.

Statement of Answer and Counterclaims in Response to Claimant's Second Amended Statement of Claim filed by Peterson on or about: December 6, 2020.

Respondents signed the Submission Agreement: November 15, 2019.

### **CASE SUMMARY**

In the Statement of Claim, First Amended Statement of Claim and Second Amended Statement of Claim, Claimant asserted the following causes of action: breach of contract – restrictive covenant; misappropriation of trade secrets; civil conspiracy; breach of fiduciary duty; aiding & abetting Peterson's breach of fiduciary duty; unjust enrichment; interference with contractual relationships; and violation of FINRA Rule 2010. The causes of action relate to Peterson allegedly disregarding his post-employment obligations with Claimant.

In the Statement of Answer in Response to Claimant's Claim for Permanent Injunctive Relief, Peterson denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In its Memorandum of Law in Opposition to Claimant's Claim for Injunction, Ameriprise Financial denied the allegations in the Statement of Claim and asserted various affirmative defenses.

In his Statement of Answer in Response to Claimant's First and Second Amended Statements of Claim, Peterson denied the allegations made in the First and Second Amended Statements of Claim and asserted various affirmative defenses.

In his Counterclaims in Response to Claimant's First and Second Amended Statements of Claim, Peterson asserted the following causes of action: breach of FINRA Rule 2010—standards of commercial honor and principles of trade; unfair competition; tortious interference with business relations; and tortious interference with prospective business advantage.

In its Statement of Answer and Affirmative Defenses in response to Claimant's First and Second Amended Statements of Claim, Ameriprise Financial denied the allegations made in the First and Second Amended Statements of Claim and asserted various affirmative defenses.

In its Counterclaims in Response to Claimant's First and Second Amended Statements of Claim, Ameriprise Financial asserted the following causes of action: breach of FINRA Rule 2010—standards of commercial honor and principles of trade; abuse of process; unfair competition; and civil conspiracy.

In Claimant's Answer to Respondents' Counterclaims filed in Response to Claimant's First and Second Statements of Claim, Claimant denied the allegations made in the Respondents' respective counterclaims and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, First Amended Statement of Claim and Second Amended Statement of Claim, Claimant requested:

1. A permanent injunction immediately enjoining Respondents, directly or indirectly, alone or in concert with others, from soliciting, by mail, phone, electronic communication, personal meeting, or any other means, any customer of Claimant who Peterson served or whose name became known to Peterson during his employment with Claimant. Solicit means to initiate any contact or communication, of any kind whatsoever, for the purpose of inviting, encouraging or requesting any customer of Claimant's, to transfer from Claimant to Peterson or Ameriprise Financial, or to otherwise discontinue its patronage and business relationship with Claimant to remain in effect until October 25, 2020;
2. A permanent injunction:
  - a. Ordering Respondents to return in no more than seventy-two (72) hours to counsel for Claimant any and all information, materials, documents, files, or data, in whatever form, and any copies (including electronic files stored on any portable electronic storage medium, including but not limited to "thumb drives", portable hard drives, DVDs, CDs, or any other electronic storage device) thereof, containing, reflecting, or referring to any of Claimant's confidential, proprietary, or trade secret data or information;
  - b. That the foregoing permanent injunction shall remain in full force and effect until such time as this Panel specifically orders otherwise;
3. The Panel schedule a hearing on the merits as soon as reasonably practical;
4. An award in Claimant's favor against Respondents for actual damages in an amount to be determined at the hearing;
5. Attorneys' fees and costs; and
6. Any other relief this Panel deems just and proper under the circumstances.

In his Statement of Answer in Response to Claimant's Claim for Permanent Injunctive Relief, Peterson requested:

1. The Panel deny Claimant's claim for permanent injunctive relief;
2. All remedies, at law or equity, that this Panel concludes are just, appropriate or warranted;
3. Costs; and
4. Attorneys' fees.

In its Memorandum of Law in Opposition to Claimant's Claim for Injunction, Ameriprise Financial requested:

1. Denial of Claimant's Motion for Temporary Restraints and a Preliminary Injunction;
2. Claimant be sanctioned for its continued frivolous and bad faith litigation;
3. Attorneys' fees; and
4. Such other and further relief as the Panel deems just and proper.

In his Statement of Answer and Counterclaims in Response to Claimant's First and Second Amended Statements of Claim, Peterson requested:

1. The Panel dismiss Claimant's claims with prejudice;
2. Denial of Claimant's request for damages in their entirety;

3. Denial of Claimant's request for injunctive relief in its entirety;
4. Award Peterson damages for Claimant's breach of FINRA Rule 2080, unfair competition, tortious interference with business relations, and tortious interference with prospective business advantage, to be determined upon evidence at hearing;
5. Costs;
6. Attorneys' fees; and
7. Grant such other relief as the Panel deems just and equitable.

In its Statement of Answer, Affirmative Defenses and Counterclaims in response to Claimant's First and Second Amended Statements of Answer, Ameriprise Financial requested:

1. Dismissal of Claimant's claims with prejudice;
2. Denial of Claimant's request for damages in their entirety, including but not limited to punitive damages, interest, attorneys' fees, arbitration fees, costs and expenses;
3. Denial of Claimant's request for injunctive relief;
4. Damages to Respondents for Claimant's breach of FINRA Rule 2010—standards of commercial honor and principles of trade, abuse of process, unfair competition and civil conspiracy to be determined upon evidentiary presentation at hearing;
5. Costs;
6. Attorneys' fees; and
7. Such other relief as the Panel deems just and equitable.

In Claimant's Answer to Respondents' Counterclaims filed in Response to Claimant's First and Second Amended Statements of Claim, Claimant requested:

1. The Panel find in favor of Claimant;
2. Dismissal of Respondents' Counterclaims;
3. Costs;
4. Attorneys' fees; and
5. Any other action the Panel deems just and proper under the circumstances.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On December 2, 2019, a recorded hearing was conducted on Claimant's request for a permanent injunction. The parties consented orally and in writing to proceed with two arbitrators. By Order dated December 3, 2019, the Panel denied Claimant's request.

On January 3, 2020, Claimant filed a Motion for Leave to file a First Amended Statement of Claim. No responses were filed. By Order dated January 9, 2020, the Panel granted Claimant's motion.

On September 29, 2020, Claimant filed a Motion for Leave to file a Second Amended Statement of Claim. No responses were filed. By Order dated October 21, 2020, the Panel granted Claimant's motion.

### **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. Claimant’s claims are denied in their entirety.
2. Claimant is liable for and shall pay to Peterson the sum of \$447,000.00 in compensatory damages.
3. Claimant is liable for and shall pay to Peterson the sum of \$115,000.00 in attorneys’ fees pursuant to the Nevada Trade Secrets Act—NRS Chapter 600A.
4. Claimant is liable for and shall pay to Ameriprise the sum of \$1.00 in compensatory damages.
5. Claimant is liable for and shall pay to Ameriprise the sum of \$200,794.00 in attorneys’ fees pursuant to the Nevada Trade Secrets Act—NRS Chapter 600A.
6. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, are denied.

**FEES**

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

**Filing Fees**

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

Initial Claim Filing Fee	= \$	1,700.00
Ameriprise Financial’s Counterclaim Filing Fee	= \$	1,700.00
Peterson’s Counterclaim Filing Fee	= \$	1,575.00

*\*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, Claimant is assessed the following:

Member Surcharge	= \$	1,900.00
Member Process Fee	= \$	3,750.00

Accordingly, as a party, Ameriprise Financial is assessed the following;

Member Surcharge	= \$	1,900.00
Member Process Fee	= \$	3,750.00

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court.

1. Claimant is assessed:

Injunctive Relief Surcharge	= \$	2,500.00
Arbitrator Travel Expenses and Costs	= \$	227.41

2. Respondents are assessed:

Arbitrator Travel Expenses and Costs	= \$	227.41
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**Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

Three (3) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision	= \$	600.00
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One (1) decision on a discovery-related motion on the papers with the Panel @ \$600.00/decision	= \$	600.00
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Claimant submitted three (3) discovery-related motions  
Ameriprise submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	1,200.00
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The Panel has assessed \$650.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$400.00 of the discovery-related motion fees jointly and severally to Respondents.

The Panel has assessed \$150.00 of the discovery-related motion fees to Ameriprise Financial.

**Contested Motion for Issuance of Subpoena Fees**

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena with one Arbitrator @ \$200.00	= \$	200.00
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Total Contested Motion for Issuance of Subpoena Fees	= \$	200.00
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The Panel has assessed the total contested motion for issuance of subpoena fees to Claimant.

**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 Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Eleven (11) hearing sessions @ \$1,125.00/session		= \$ 12,375.00
Hearings:		
	December 2, 2019	3 sessions
	September 27, 2021	2 sessions
	September 28, 2021	2 sessions
	September 29, 2021	2 sessions
	September 30, 2021	2 sessions

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Total Hearing Session Fees	= \$ 12,375.00
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The Panel has assessed \$6,187.50 of the hearing session fees to Claimant.

The Panel has assessed \$6,187.50 of the hearing session fees jointly and severally to Respondents.

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

**ARBITRATION PANEL**

Paul E. Dahlman	-	Public Arbitrator, Presiding Chairperson
Richard Mathew Greenspan	-	Public Arbitrator
James A. Sigler	-	Non-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**

***Paul E. Dahlman***

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Paul E. Dahlman  
Public Arbitrator, Presiding Chairperson

**11/03/2021**

\_\_\_\_\_  
Signature Date

***Richard Mathew Greenspan***

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Richard Mathew Greenspan  
Public Arbitrator

**11/03/2021**

\_\_\_\_\_  
Signature Date

***James A. Sigler***

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James A. Sigler  
Non-Public Arbitrator

**11/03/2021**

\_\_\_\_\_  
Signature Date

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.

November 04, 2021

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