

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Christopher Petrik

Case Number: 20-02598

vs.

Respondent
Ameriprise Financial Services, LLC

Hearing Site: Boston, Massachusetts

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: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Christopher Petrik: Chelsea Masters, Esq. and Dochter Kennedy, JD, MBA, AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Ameriprise Financial Services, LLC: Howard Klausmeier, Esq., Ameriprise Financial Services, Inc., Troy, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: August 12, 2020.

Christopher Petrik signed the Submission Agreement: August 12, 2020.

Statement of Answer filed by Respondent on or about: September 30, 2020.

Ameriprise Financial Services, LLC signed the Submission Agreement: September 30, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent supported Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Numbers 1455930, 1703093 and 1788358 from his CRD records; compensatory damages in the amount of \$1.00

from Respondent; deletion of all disclosure reporting pages accompanying Occurrence Numbers 1455930, 1703093 and 1788358; and any and all other relief deemed just and equitable.

In the Statement of Answer, Respondent requested: a recommendation of expungement of the subject customer complaint from the CRD record of Claimant, and denial of any and all other relief requested against Respondent.

At the hearing, Claimant withdrew the request for \$1.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

On January 26, 2021, Claimant filed an Affidavit of Service reflecting that the customers in Occurrence Numbers 1455930 ("Customers A and B"), 1703093 ("Customer C") and 1788358 ("Customers D and E") were served on January 21, 2021, with the Statement of Claim and notice of the date and time of the expungement hearing as well as of their right to participate therein.

The Arbitrator conducted a recorded, telephonic hearing on March 16, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, supported the request for expungement.

Customers A, B, C, D and E did not participate in the expungement hearing. The Arbitrator found that Customers A, B, C, D and E had notice of the expungement request and hearing.

The Arbitrator reviewed Claimant's BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrences in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1788358, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant did not contribute to the settlement amount.

The Arbitrator noted that the disputes related to Occurrence Numbers 1455930 and 170309 were not settled and, therefore, there were no settlement documents to review.

In recommending expungement, the Arbitrator relied upon Claimant's Exhibits 1-18 admitted during the hearing, as follows: Exhibit 01 - Customers D and E – 5/23/2013 RiverSource Variable Universal Life ("VUL") Illustration for Customer D pages 1-9 of 11; Exhibit 2 - Customers D and E – 5/23/2013 RiverSource VUL Illustrations for Customer E pages 1-8 of 10; Exhibit 3 - Customers D and E - 2013-2014 Ameriprise Financial Service Review Checklist and Meeting Notes; Exhibit 4 - Customers D and E – 6/26/2015 Ameriprise Letter to Customers D and E regarding settlement offer; Exhibit 5 - Customers D and E – 6/26/2015 Settlement; Exhibit

6 - Customer C - 2012 Ameriprise Financial Service Review Checklist; Exhibit 7 - Customer C - 7/30/2012 RiverSource Life Insurance Proposal; Exhibit 8 - Customer C - August 2012 Financial Planning Proposal; Exhibit 9 - Customer C - August 2012 Financial Planning Questions from Customer C; Exhibit 10 - Customer C - 8/24/2012 Ameriprise IRA Proposal; Exhibit 11 - Customer C - 8/28/2012 Ameriprise Financial Service Review Checklist; Exhibit 12 - Customer C - 8/30/2012 RiverSource Life Insurance Proposal; Exhibit 13 - Customer C - 6/6/2013 Meeting Agenda Notes; Exhibit 14 - Customer C - 9/7/2013 Meeting Agenda Notes; Exhibit 15 - Customer C - 4/29/2014 FA response and Narrative of events; Exhibit 16 - Customer C - 7/5/2014 Ameriprise Response to Complaint; Exhibit 17 - Customers A and B - 1/11/2007 Illustration and Cost of Insurance; and, Exhibit 18 - Customers A and B - 11/6/2009 Financial Advisor Response to Complaint.

AWARD

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

1. The Arbitrator recommends the expungement of all references to Occurrence Numbers 1455930 and 1703093 from registration records maintained by the CRD for Claimant Christopher Petrik (CRD Number 2165026) with the understanding that, pursuant to Notice to Members 04-16, Claimant 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 of Arbitration Procedure (“Code”), the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and

The claim, allegation, or information is false.

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

As to Occurrence Number 1455930:

Clients alleged VUL policies purchased on 10/1/2003 and 1/10/2008 were unsuitable investments. I find the allegation of unsuitability to be false within the meaning of Rule 2080(b)(1)(C) and clearly erroneous within the meaning of Rule 2080(b)(1)(A). Claimant’s recommendations of the VUL policies were consistent with Customers A and B’s investor profiles and objectives. Customers A and B and their estate-planning attorney agreed that the VULs were consistent with Customers A and B’s long-term planning objectives. Although the record offers no explanation as to Customers A and B’s basis for alleging unsuitability, Claimant testified that one of Customers A and B’s goals was to provide for education funding. While Claimant explained that the VUL was not, of itself, designed to fully meet future education costs, the VUL was part of a strategy that would provide both death-benefit

options and education-funding options. Customers A and B and their counsel concurred in this strategy and their counsel incorporated this strategy in the design of the trust. Respondent investigated Customers A and B's allegations and found the policies to be suitable and in line with Customers A and B's stated investment goals. Respondent further found that Customers A and B had been provided with full disclosure regarding the features of the policies at the time they were purchased. For these reasons and based on the testimony and documentary evidence presented during the hearing, I find that the allegation of unsuitability is clearly erroneous and false.

As to Occurrence Number 1703093:

Customer C stated that the RiverSource RAVA 5 variable annuity, purchased on January 15, 2014, was not a suitable investment. I find this allegation to be false within the meaning of Rule 2080(b)(1)(C) and clearly erroneous within the meaning of Rule 2080(b)(1)(A). Based on the testimony and documentary evidence presented at the hearing, it was clear that Claimant recommended this annuity to Customer C as part of a balanced and diversified portfolio. Claimant fully explained to Customer C the terms, costs, risks, features and benefits of the annuity and presented Customer C with the prospectus. Customer C considered this annuity for over a year before making a decision, including comparing it to an alternative annuity from MetLife. When Customer C ultimately purchased the annuity, she completed and signed disclosure and other documents indicating her understanding of the annuity. Only after moving her accounts to a new financial advisor did Customer C file this complaint. Respondent thoroughly investigated the complaint and concluded that the annuity was a suitable investment and one for which Customer C was fully informed. Given these facts, I find that the allegation was false and clearly erroneous. The annuity was a suitable investment for Customer C based on her investment profile and objectives. Customer C carefully considered her options and made a knowing choice to purchase the annuity.

2. Claimant's request for expungement of Occurrence Number 1788358 is denied.

As to Occurrence Number 1788358:

Customers D and E alleged the RiverSource variable universal policies recommended in July 2013 and August 2013 were misguided and unsuitable for education funding. Based on the testimony and documentary evidence presented at the hearing, I find that Claimant has not met the standards for expungement set forth in Rule 2080. Although Claimant asserts that he had a reasonable basis to believe that the VULs were suitable investments for Customers D and E in this matter, the evidence fails to clearly support Claimant's position. After Customers D and E filed their complaint, Respondent conducted an investigation and offered to compensate Customers D and E for the payments made to the policies. Claimant alleges that Respondent reached this settlement only because neither he nor RiverSource could produce a copy of the policy illustration signed by Customers D and E. There was no evidence on the record that Customers D and E ever did, in fact, sign the illustration. Further, the only evidence that this was why Respondent settled was Claimant's hearsay testimony that an unnamed someone told him that. On this record, it cannot be said that the allegation was factually impossible or clearly erroneous within the meaning of Rule 2080(b)(1)(A) or that it was false within the meaning of Rule 2080(b)(1)(C).

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

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services 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(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	=\$ 150.00
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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, which 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: December 14, 2020 1 session	

One (1) hearing session on expungement request @ \$50.00/session	=\$ 50.00
Hearing: March 16, 2021 1 session	

Total Hearing Session Fees	=\$ 100.00
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The Arbitrator has assessed the total hearing session fees to Claimant.

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

ARBITRATOR

Robert J. Ambrogi

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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

Robert J. Ambrogi

Robert J. Ambrogi
Sole Public Arbitrator

03/23/2021

Signature Date

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March 23, 2021

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