

INTERNATIONAL
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Judge upholds \$22 million award for ExxonMobil retirees

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NEW ORLEANS A federal judge has upheld a \$22 million (€17.3 million) award to 32 retirees of Exxon Mobil Corp. in Baton Rouge who alleged that an investment firm put their money into risky investments.

Securities America Inc. and financial planner David McFadden of Baton Rouge have until Nov. 1 to ask the U.S. 5th Circuit Court of Appeals to set aside the award issued by an arbitration panel, said Jim Swanson, one of the attorneys who represented the retirees.

Securities America is likely to appeal portions or all of the decision, said Paul Johnson, a spokesman for Ameriprise Financial, the parent company of Securities America.

The retirees alleged that McFadden steered their retirement money into annuities, normally reserved for tax deferral, and Class B share mutual funds, which carry high annual fees, resulting in substantial financial losses.

A three-member panel of the National Association of Securities Dealers awarded \$11.6 million (€9.12 million) in compensatory damages, nearly \$4.7 million (€3.69 million) in attorney fees and \$3.5 million (€2.75 million) in punitive damages. Each retiree received awards ranging from a little more than \$144,000 (€113,180) to nearly \$1.4 million (€1.1 million).

Securities America and McFadden appealed, arguing that the arbitrators could not award punitive damages under Louisiana law. They also unsuccessfully argued that the attorney fees were excessive.