

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Aristotle Pappajohn

and

01-01633
Minneapolis, Minnesota

Name of Respondent

U.S. Bancorp Piper Jaffray, Inc.

REPRESENTATION OF PARTIES

Aristotle Pappajohn ("**Claimant**") was represented by Randall E. Nielsen, Esq., Pappajohn, Schriver, Eide & Nicholas, P.C., Mason City, Iowa.

U.S. Bancorp Piper Jaffray, Inc. ("**Respondent**") was represented by Mark S. Reed, Esq., U.S. Bancorp Piper Jaffray, Inc., Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about April 2, 2001. Resistance to Motion to Preclude was filed on or about February 14, 2002. Submission Agreement of Claimant Aristotle Pappajohn was signed on March 5, 2001.

Answer and Affirmative Defenses of U.S. Bancorp Piper Jaffray, Inc. was filed on or about May 29, 2001. Motion to Preclude Testimony and Evidence was filed on or about February 13, 2002. Submission Agreement of Respondent U.S. Bancorp Piper Jaffray, Inc. was signed on May 24, 2001 by Mark S. Reed.

CASE SUMMARY

Claimant alleged that Respondent failed to properly oversee the transfer of his stock to effectuate his order to sell shares of PATI. It was also alleged that Respondent had led him to believe that it would handle the transfer requirements necessary for him to sell stock for which he held certificates with restrictive legend that had expired in July of 1997. Claimant specifically alleged that three days after entering an order to sell 8,000 shares of PATI, Claimant delivered a stock certificate for 25,000 shares of DSMI to a branch office of Respondent. It was stated that DSMI had undergone a name change to PATI and a reverse split such that on the date of delivery of the certificate, the certificate actually represented 18,000 shares of PATI.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that it acted properly at all times with respect to Claimant's account and the transactions at issue in this proceeding. It was further stated that Claimant's inability to fulfill his obligations in connection with those transactions resulted from factors beyond its control including, without limitation, his failure to obtain a new stock certificate properly reflecting PATI's corporate name change, the reverse stock split, and removal of the restrictive legend and its inability to obtain the necessary legal opinion from PATI's legal counsel.

RELIEF REQUESTED

Claimant requested monetary damages in the amount of \$30,236.65, plus interest, which represents the difference between the original sale price, and the lower sales price which resulted from Respondent's failure to properly oversee the transfer of Claimant's stock. Claimant further requested all attorney fee expenses and costs to which he may be entitled.

Respondent requested that the Statement of Claim and all claims asserted against it be dismissed in their entirety. Respondent further requested that it be awarded its reasonable attorneys' fees, costs and expenses incurred in defending this matter.

OTHER ISSUES CONSIDERED & DECIDED

The Arbitration panel denied the Motion to Preclude by letter dated February 22, 2002.

At the conclusion of the Claimant's case in chief, Respondent asserted a motion to dismiss. After considering the pleadings, the testimony, and the evidence presented to that time, the Arbitration Panel denied the motion.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

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

1. Respondent U.S. Bancorp Piper Jaffray, Inc. shall be and hereby is liable for and shall pay to Claimant Aristotle Pappajohn the sum of \$30,236.65 (**Thirty Thousand Two Hundred Thirty Six Dollars and Sixty Five Cents**) as compensatory damages. In making this

decision, the Arbitration Panel finds that Respondent unreasonably and negligently delayed the process of removing restrictions on the stock in question, after undertaking to remove the restrictions on the stock in question. Respondent's negligence caused claimant's loss.

2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$175.00

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. In this matter, the member firm is U.S. Bancorp Piper Jaffray, Inc.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,000.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel x \$600.00	= \$ 600.00
Pre-hearing conference(s): October 18, 2001	1 session

Two (2) Hearing sessions x \$600.00	= \$1,200.00
Hearing Date(s): February 25, 2002	2 sessions

Total Forum Fees = \$1,800.00

The Arbitration Panel has assessed \$1,800.00 of the forum fees to U.S. Bancorp Piper Jaffray, Inc.

Fee Summary

Claimant, Aristotle Pappajohn, shall be and hereby is liable for:

Initial Filing Fee	= \$ 175.00
1. <u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 175.00
<u>Less payments</u>	= \$ 625.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 450.00

Respondent, U.S. Bancorp Piper Jaffray, Inc., shall be and hereby is liable for:

Member Fees	= \$2,400.00
<u>Forum Fees</u>	= \$1,800.00
Total Fees	= \$4,200.00
<u>Less payments</u>	= \$2,400.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,800.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair
Jack D. Elmquist, Esq. - Public Arbitrator
Gerald M. Gifford - Non-Public Arbitrator

Concurring Arbitrators:

/s/ James A. Lundberg
James A. Lundberg, Esq.
Public Arbitrator, Presiding Chair

March 1, 2002
Signature Date

/s/ Jack D. Elmquist
Jack D. Elmquist, Esq.
Public Arbitrator

February 28, 2001
Signature Date

/s/ Gerald M. Gifford
Gerald M. Gifford
Non-Public Arbitrator

February 28, 2001
Signature Date

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Gerald M. Gifford - Non-Public Arbitrator

Concurring Arbitrators:


James A. Lundberg, Esq.
Public Arbitrator, Presiding Chair

8/08/2002
Signature Date

Jack D. Elmquist, Esq.
Public Arbitrator

Signature Date

Gerald M. Gifford
Non-Public Arbitrator

Signature Date

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Gerald M. Gifford - Non-Public Arbitrator

Concurring Arbitrators:

James A. Lundberg, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Jack D. Elmquist, Esq.
Public Arbitrator

2/28/02
Signature Date

Gerald M. Gifford
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Jack D. Elmquist, Esq.
Public Arbitrator

Signature Date



Gerald M. Gifford
Non-Public Arbitrator



Signature Date