

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimant

Kenneth Schweiger

v.

02-05049

Minneapolis, Minnesota

Respondents

U.S. Bancorp Piper Jaffray, Inc. and Ted A. Johnson

Nature of Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Kenneth Schweiger ("Claimant") was represented by Steven R. Rutzick, of Steven R. Rutzick & Associates, St. Paul, Minnesota.

U.S. Bancorp Piper Jaffray, Inc. ("U.S. Bancorp") and Ted A. Johnson ("Johnson"), hereinafter referred to as ("Respondents"), were represented by Steven A. Phillips, Esq., of Anthony Ostlund & Baer, P.A., Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about August 21, 2002. Submission Agreement of Claimant was signed on or about August 21, 2002.

A Joint Statement of Answer was filed by Respondents U.S. Bancorp Piper Jaffray, Inc. and Ted A. Johnson on or about October 29, 2002. Submission Agreement of Respondent U.S. Bancorp Piper Jaffray, Inc. was signed on or about September 17, 2002. Submission Agreement of Respondent Ted A. Johnson was signed on or about October 24, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: negligence and breach of fiduciary duty. The causes of action related to Claimant's allegation that if any of his holdings in his trust account, pledge account or IRA dropped 10% below the purchase price Respondents would sell the stock or contact the Claimant to determine the next step. Claimant further alleged that Respondents did not honor this agreement and he was forced to suffer heavy losses as a result.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimant's claims fail to state a claim upon which relief can be granted; Claimant's claims are barred, in whole or in part, by the applicable statutes of limitation and/or the doctrine of laches; any losses sustained by Claimant were proximately caused by Claimant's expressed and implied agreements to

voluntarily and knowingly assume the risks of losses in his accounts; and Claimant expressly approved and ratified the acts and transactions complained of and upon which recovery is sought and is thus precluded from any recovery under the doctrines of waiver and ratification.

RELIEF REQUESTED

Claimant requested an award in the amount of \$521,344 in compensatory damages. In addition Claimant requested costs, attorney's fees and any other relief that the Panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In addition, Respondents request that the Panel expunge all reference of this arbitration claim from Ted A. Johnson's registration records maintained by the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

Claimant Kenneth Schweiger and Respondents, U.S. Bancorp Piper Jaffray, Inc. and Ted A. Johnson have entered in to a confidential settlement agreement, and wish for it to be incorporated into a Stipulated Award.

The parties have agreed that the Stipulated 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 originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings and the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators orders as follows:

1. Claimant's claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Ted A. Johnson's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Ted A. Johnson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. 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; and
4. 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 will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 375

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 = \$ 2,250
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 4,000

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 \$ 1,200 = \$ 1,200

Pre-hearing conference: 08/20/2003 1 session

Total Forum Fees = \$ 1,200

The Arbitration Panel has assessed \$ 1,200 of the forum fees jointly and severally to U.S. Bancorp Piper Jaffray, Inc. and Ted A. Johnson.

Fee Summary

Claimant, Kenneth Schweiger is liable for:

<u>Initial Filing Fee</u>	= \$ 375
<u>Total Fees</u>	= \$ 375
<u>Less payments</u>	= \$ 1,575
<u>Balance Refunded By NASD Dispute Resolution</u>	= \$ 1,200

Respondent, U.S. Bancorp Piper Jaffray, Inc., is liable for:

Member Fees	= \$ 7,000
<u>Forum Fees</u>	<u>= \$ 1,200</u>
Total Fees	= \$ 8,200
<u>Less payments</u>	<u>= \$ 5,750</u>
Balance Due NASD Dispute Resolution	= \$ 2,450

All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration

ARBITRATION PANEL

John C. DeMoss, Esq. - Public Arbitrator, Presiding Chair
James A. Lundberg, Esq. - Public Arbitrator
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

John C. DeMoss, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James A. Lundberg, Esq.
Public Arbitrator

Signature Date

Roy J. Burr, Jr.
Non-Public Arbitrator

Signature Date

2/14/04

Date of Service (NASD use only)

Respondent, U.S. Bancorp Piper Jaffray, Inc., is liable for:

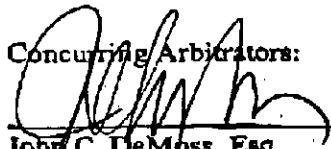
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James A. Lundberg, Esq. - Public Arbitrator
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:



John C. DeMoss, Esq.
Public Arbitrator, Presiding Chair

2-6-04

Signature Date

James A. Lundberg, Esq.
Public Arbitrator

Signature Date

Roy J. Burr, Jr.
Non-Public Arbitrator

Signature Date

2/19/04

Date of Service (NASD use only)

NASD Dispute Resolution
Arbitration No. 02-05049
Award Page 4 of 4

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Concurring Arbitrators:

John C. DeMoss, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James A. Lundberg, Esq.
Public Arbitrator

2/08/2007
Signature Date

Roy J. Burr, Jr.
Non-Public Arbitrator

Signature Date

2/14/07
Date of Service (NASD use only)

NASD Dispute Resolution, Inc.
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Respondent, U.S. Bancorp Piper Jaffray, Inc., is liable for:

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Signature Date

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Public Arbitrator

Signature Date

Roy J. Burr, Jr.
Non-Public Arbitrator

Signature Date

2/14/04
Date of Service (NASD use only)