

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

John M. Flood, individually and as trustee on behalf of the John M. Flood Living Trust, John M. Flood SEP, and John M. Flood SEG/IRA, Claimants v. US Bancorp Piper Jaffray, Inc., Paul T. Adams, and Russell G. Godt, Respondents

Case Number: 02-07378

Hearing Site: San Francisco, California

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Nature of the Dispute: Customers v. Member and Associated Persons

**REPRESENTATION OF PARTIES**

For Claimants:

James Jay Seltzer, Esq.  
Law Offices of James Jay Seltzer  
Emeryville, California

For Respondents:

Julie A. Kole, Esq.  
Keesal, Young & Logan  
San Francisco, California

**CASE INFORMATION**

Statement of Claim filed: December 6, 2002

Claimants' Uniform Submission Agreement signed: October 28, 2002

Joint Statement of Answer filed by Respondents: April 1, 2003

Respondent US Bancorp Piper Jaffray, Inc.'s Uniform Submission Agreement signed: January 14, 2003

Respondent Paul T. Adams' Uniform Submission Agreement signed: January 7, 2003

Respondent Russell G. Godt's Uniform Submission Agreement signed: March 26, 2003

### **CASE SUMMARY**

Claimants alleged suitability, improper supervision, non-disclosures, omission of facts, misrepresentations, fraud, negligence, unauthorized trading, breach of contract, bad faith, breach of fiduciary duty, and violations of the California Corporations Code and California Elder Abuse and Dependent Adult Protection Act. Claimants' allegations involved transactions in various unspecified securities in retirement and trust accounts.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested unspecified compensatory damages, \$1,500,000.00 in punitive damages, treble damages, pre-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, the expungement of all references to the claim from Paul T. Adams' and Russell G. Godt's Central Registration Depository (CRD) Records, and costs, including attorney's fees.

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

On February 6, 2003, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On March 26, 2003, Respondents' counsel Julie A. Kole, Esq., on behalf of Respondents, signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, testimony, and the Parties' request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents have entered into a confidential settlement agreement.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Paul T. Adams' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Paul T. Adams must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Russell G. Godt's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Russell G. Godt must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm US Bancorp Piper Jaffray, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
<b>Total Member Fees</b>	<b>= \$ 8,550.00</b>

**Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$ 1,200.00/session = \$ 1,200.00  
Pre-hearing conference: June 10, 2003 1 session

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**Total Forum Fees = \$ 1,200.00**

1. The Panel assessed \$ 600.00 of the forum fees jointly and severally to Claimants
2. The Panel assessed \$ 600.00 of the forum fees jointly and severally to Respondents.

**Fee Summary**

1. Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,100.00
Retained Deposit pursuant to Rule 10332(f)	= \$ 600.00
Less payments	= \$ (1,700.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

2. Respondent US Bancorp Piper Jaffray, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
Less payments	= \$ (8,550.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

3. Respondents US Bancorp Piper Jaffray, Inc., Paul T. Adams, and Russell G. Godt are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 600.00
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 600.00</b>

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

**Parties' Signatures**

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James Jay Seltzer, Esq.  
on behalf of Claimants

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Signature Date

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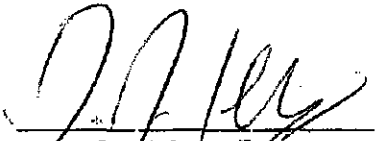
Julie A. Kole, Esq.  
on behalf of Respondents

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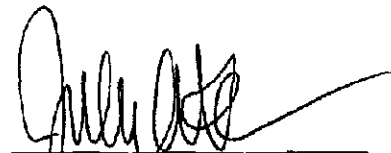
Signature Date

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**Parties' Signatures**

  
James Jay Seltzer, Esq.  
on behalf of Claimants

6/29/04  
Signature Date

  
Julie A. Kole, Esq.  
on behalf of Respondents

7/6/04  
Signature Date

**ARBITRATION PANEL**

Peter H. Daly	-	Public Arbitrator, Presiding Chair
Paul A. D. Evans	-	Public Arbitrator
James D. Murray	-	Industry/Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Peter H. Daly  
Chair, Public Arbitrator

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Signature Date

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Paul A. D. Evans  
Public Arbitrator

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Signature Date

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James D. Murray  
Industry/Non-Public Arbitrator

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Signature Date

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Date of Service

**ARBITRATION PANEL**

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Paul A. D. Evans	-	Public Arbitrator
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Peter H. Daly  
Chair, Public Arbitrator

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Signature Date

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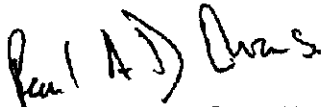
James D. Murray  
Industry/Non-Public Arbitrator

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Signature Date

**Dissenting Arbitrator's Signature**

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Paul A. D. Evans  
Public Arbitrator

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July 23, 2004.  
Signature Date

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7/29/04  
Date of Service



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Paul A. D. Evans	-	Public Arbitrator
James D. Murray	-	Industry/Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Peter H. Daly  
Chair, Public Arbitrator

7/29/04  
Signature Date

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James D. Murray  
Industry/Non-Public Arbitrator

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

**Dissenting Arbitrator's Signature**

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Paul A. D. Evans  
Public Arbitrator

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

7/29/04  
Date of Service

NASD Dispute Resolution  
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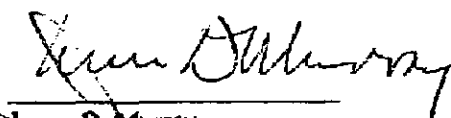
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Paul A. D. Evans	-	Public Arbitrator
James D. Murray	-	Industry/Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Peter H. Daly  
Chair, Public Arbitrator

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Signature Date

  
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James D. Murray  
Industry/Non-Public Arbitrator

7/23/04  
\_\_\_\_\_  
Signature Date

**Dissenting Arbitrator's Signature**

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Paul A. D. Evans  
Public Arbitrator

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

7/29/04  
\_\_\_\_\_  
Date of Service