

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Full Service Travel Inc.

v.

03-03490

Minneapolis, Minnesota

Respondents

Piper Jaffray & Company and James Broms

Nature of Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Full Service Travel Inc. ("Claimant") was represented by J.J. Choromanski, Plymouth, Minnesota.

Piper Jaffray & Company ("Piper Jaffray") and James Broms ("Broms"), hereinafter referred to as ("Respondents"), were represented by Kristina L. Carlson, Esq., Dorsey & Whitney LLP, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about May 13, 2003. Submission Agreement of Claimant was signed on or about May 21, 2003.

A Joint Statement of Answer was filed by Respondents Piper Jaffray & Company and James Broms on or about July 28, 2003. Submission Agreement of Respondent Piper Jaffray & Company was signed on or about June 23, 2003. Submission Agreement of Respondent James Broms was signed on or about August 5, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, misrepresentations, churning, and manipulation. The causes of action related to Claimant's allegation that Respondent Broms recommended that it exchange its Federal National Mortgage Association bonds for NRG Energy, Inc. bonds. Claimant asserted that after his purchase of the bonds, they decreased in value and were classified a junk bonds within 60 days, causing a heavy loss for Claimant

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimant knowingly assumed the risks of its investments decisions in exchange for a higher possible rate of return; the recommendations of Broms were made in good faith and were based on sound facts; Piper Jaffrey maintained an adequate and reasonable system of supervision and control of its registered representatives, and at all times acted in good faith and in compliance with all applicable

securities laws and regulations; and Claimant's losses were caused by its own investment decisions and general stock market movements for which Respondents are not responsible.

RELIEF REQUESTED

Claimant requested an award in the amount of \$95,000 in compensatory damages, plus attorney's fees, costs and any other relief 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 requested that this matter be expunged from Respondent's Broms' permanent registration record maintained by the Central Registration Department ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

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 originals remain on file with NASD Dispute Resolution ("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, Piper Jaffray & Company is liable for and shall pay to Claimant, Full Service Travel Inc, the sum of Twenty Thousand Dollars and No Cents (\$20,000.00) in compensatory damages;
2. All of Claimants' claims against Respondent James Broms are hereby denied and dismissed with prejudice in their entirety;
3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages and expungement, 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 = \$ 225

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 Piper Jaffray & Company.

Member surcharge = \$ 1,100
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 1,700

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 \$ 750 = \$ 750

Pre-hearing conference: 12/15/2003 1 session

Two (2) Hearing sessions with Panel x \$ 750 = \$ 1,500

Hearing Dates: 03/01/2004 2 sessions

Total Forum Fees = \$ 2,250

The Arbitration Panel has assessed \$ 1,125 of the forum fees to Full Service Travel Inc.

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Fee Summary

Claimant, Full Service Travel Inc. is liable for:

Initial Filing Fee	= \$ 225
<u>Forum Fees</u>	= \$ 1,125
<u>Total Fees</u>	= \$ 1,350
<u>Less payments</u>	= \$ 975
Balance Due NASD Dispute Resolution	= \$ 375

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 3,550
Forum Fees	= \$ 1,125
Total Fees	= \$ 4,675
Less payments	= \$ 3,550
Balance Due NASD Dispute Resolution	= \$ 1,125

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

ARBITRATION PANEL

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair
Charles S. Clayton - Public Arbitrator
Jerry M. Helfand, Esq.- Non-Public Arbitrator

Concurring Arbitrators:

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

Signature Date

Charles S. Clayton
Public Arbitrator

Signature Date

Jerry M. Helfand, Esq.
Non-Public Arbitrator

Signature Date

2/9/04

Date of Service (NASD use only)

Respondent, Piper Jaffray & Company, is liable for:

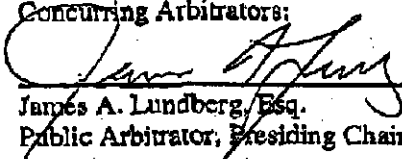
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Concurring Arbitrators:


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

3/8/2004
Signature Date

Charles S. Clayton
Public Arbitrator

Signature Date

Jerry M. Helfand, Esq.
Non-Public Arbitrator

Signature Date

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