

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Michael J. Rivers

v.

05-00871

Minneapolis, Minnesota

Respondent

Piper Jaffray & Company

Nature of Dispute: Customer v. Member

REPRESENTATION OF PARTIES

Michael J. Rivers ("Claimant") was represented by Terrance M. Fruth, Esq., of Fruth, Jamison & Elsass, P.A., Minneapolis, Minnesota.

Piper Jaffray & Company ("Respondent") was represented by James K. Langdon, Esq., of Dorset & Whitney, LLP, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about February 15, 2005. The Submission Agreement of Claimant was signed on or about January 31, 2005.

The Statement of Answer was filed by Respondent, Piper Jaffray & Company, on or about April 22, 2005. The Submission Agreement of Respondent, Piper Jaffray & Company, was signed on or about April 25, 2005, by Mark S. Reed, Managing Director, Deputy General Counsel, Piper Jaffray & Company.

CASE SUMMARY

Claimant asserted causes of action including the following: negligence, violation of NASD Conduct Rule 2110, violation of NASD Conduct Rule 3010, violation of Minn. Stat. 80A.01, and breach of fiduciary duty. The causes of action related to Claimant's purchasing of First Federal Capital Corporation ("FFCC") stocks. Claimant alleged that he became the subject of a SEC investigation into his purchase of FFCC stocks due to those purchases being made at "the end-of-the-day". Claimant alleged that Respondent did not properly warn him that that trading practice was viewed as market manipulation and that Respondent knew or should have known that this would expose him to a SEC proceeding.

Respondent denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can be granted; Claimant, by his actions and inactions, waived the right to pursue any claim against Respondent; at all times mentioned in the Statement of Claim, Respondent maintained an adequate and reasonable system of supervision over its employees and acted in good faith to reasonably implement that system; the losses of which Claimant asserts in his Statement of Claim were proximately caused by his own decisions and conduct, and not by the conduct of Respondent; and Claimant's claim are barred, in part, based upon the applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested an award of \$130,000 in compensatory damages, plus attorneys' fees, interest, costs, and such 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.

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. Claimant's claims, each and all, are denied and dismissed with prejudice in their entirety;
2. 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
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 will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 300.00

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 Piper Jaffray & Company.

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$ 1,125.00 = \$ 1,125.00

Pre-hearing conference: 07/08/2005 1 session

Two (2) Hearing sessions with Panel x \$ 1,125.00 = \$ 2,250.00

Hearing Dates: 10/11/2005 2 sessions

Total Forum Fees = \$ 3,375.00

The Arbitration Panel has assessed \$ 1,687.50 of the forum fees to Michael J. Rivers

The Arbitration Panel has assessed \$ 1,687.50 of the forum fees to Piper Jaffray & Company.

FEE SUMMARY

Claimant, Michael J. Rivers, is liable for:

Initial Filing Fee = \$ 300.00

Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 6,887.50
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

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

Thomas J. Gmeinder, Esq. - Public Arbitrator, Presiding Chair
Jo Anne F. Lewellen, J.D. - Public Arbitrator
Gerald J. Shaughnessy - Non-Public Arbitrator

Concurring Arbitrators:

Thomas J. Gmeinder, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jo Anne F. Lewellen, J.D.
Public Arbitrator

Signature Date

Gerald J. Shaughnessy
Non-Public Arbitrator

Signature Date

10/21/05
Date of Service (NASD use only)

Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent, Piper Jaffray & Company, is liable for:

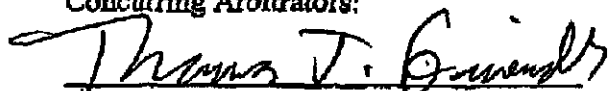
Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 6,887.50
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

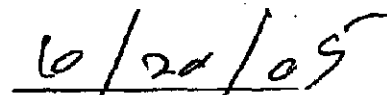
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code of Arbitration

ARBITRATION PANEL

Thomas J. Gmeinder, Esq. - Public Arbitrator, Presiding Chair
Jo Anne F. Lewellen, J.D. - Public Arbitrator
Gerald J. Shaughnessy - Non-Public Arbitrator

Concurring Arbitrators:


Thomas J. Gmeinder, Esq.
Public Arbitrator, Presiding Chair


Signature Date

Jo Anne F. Lewellen, J.D.
Public Arbitrator

Signature Date

Gerald J. Shaughnessy
Non-Public Arbitrator

Signature Date


Date of Service (NASD use only)

Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 6,887.50
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

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

Thomas J. Gmeinder, Esq. - Public Arbitrator, Presiding Chair
Jo Anne F. Lewellen, J.D. - Public Arbitrator
Gerald J. Shaughnessy - Non-Public Arbitrator

Concurring Arbitrators:

Thomas J. Gmeinder, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Jo Anne F. Lewellen, J.D.
Public Arbitrator


Signature Date

Gerald J. Shaughnessy
Non-Public Arbitrator

Signature Date


Date of Service (NASD use only)

<u>Forum Fees</u>	= \$ 1,687.50
<u>Total Fees</u>	= \$ 1,987.50
<u>Less payments</u>	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent, Piper Jaffray & Company, is liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 1,687.50
<u>Total Fees</u>	= \$ 6,887.50
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

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

Thomas J. Gmeinder, Esq. - Public Arbitrator, Presiding Chair
Jo Anne F. Lewellen, J.D. - Public Arbitrator
Gerald J. Shaughnessy - Non-Public Arbitrator

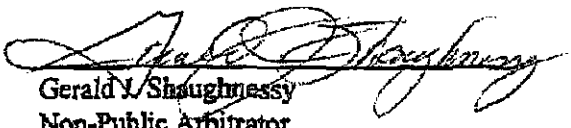
Concurring Arbitrators:

Thomas J. Gmeinder, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jo Anne F. Lewellen, J.D.
Public Arbitrator

Signature Date


Gerald J. Shaughnessy
Non-Public Arbitrator

10/21/05
Signature Date

10/21/05
Date of Service (NASD use only)