

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

James R. Avis, as Trustee for the James R. Avis
Living Trust and on behalf of his IRA,
and Rosemarie A. Avis, as Trustee for the
Rosemarie A. Avis Living Trust and on behalf of her IRA

v.

05-03731
Denver, Colorado

Respondent

Piper Jaffray & Company

NATURE OF DISPUTE

Customers v. Member Firm

REPRESENTATION OF PARTIES

James R. Avis, as Trustee for the James R. Avis Living Trust and on behalf of his IRA, and Rosemarie A. Avis, as Trustee for the Rosemarie A. Avis Living Trust and on behalf of her IRA, hereinafter collectively referred to as ("Claimants") were represented by Samuel B. Edwards, Esq., of Shepherd, Smith & Edwards, LLP, Houston, Texas.

Piper Jaffray & Company ("Respondent") was represented by William D. Nelson, Esq., Stephen E. Csajaghy, Esq., of Rothgerber, Johnson & Lyons, LLP, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about July 20, 2005. The Submission Agreements of Claimants were signed on or about June 8, 2005.

The Statement of Answer was filed by Respondent on or about September 9, 2005. The Submission Agreement of Respondent was signed on or about August 9, 2005.

CASE SUMMARY

Claimants asserted causes of action including the following: breach of contract, promissory estoppel, unfair and deceptive trade practices, violations of Colorado securities statutes and violations of Colorado fraud statutes. Claimants' alleged that Respondent, through its employees, recommended that Claimants purchase various unspecified mutual funds, which, according to Claimants, were comprised of highly speculative technology stocks.

Claimants asserted that given their age and investment experience, Respondent should have instituted a more conservative trading strategy that was consistent with their investment objective of retirement.

Respondent denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimants' damages, if any, were caused by their own conduct or the conduct of third parties or circumstances over which Respondent had neither responsibility or control; Claimants' claims are barred, or in the alternative limited, under the doctrines of comparative fault and comparative negligence; Claimants ratified the transaction at issue; Claimants had actual and constructive knowledge of all relevant facts and investment risks and assumed such risks associated with their securities transactions; Claimants' claims are barred by the doctrines of estoppel and waiver; Claimants' claims are barred by the applicable statutes of limitation; Claimants' claims relate to events or occurrences which occurred before July 1999, and therefore are not eligible for submission under NASD Rule 10304; and Respondent, at all times, acted in good faith, exercised reasonable care in its dealing with Claimants and had reasonable grounds for believing that Claimants' securities transactions were suitable and appropriate based on Claimants' stated investment objectives and directions.

RELIEF REQUESTED

Claimants requested an award of \$500,000 in compensatory damages, plus lost opportunity damages, punitive damages, interest, costs, attorneys' fees and any other relief the panel deemed just and equitable.

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its 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. Respondent, Piper Jaffray & Company, is liable for and shall pay to Claimants, James R. Avis, as Trustee for the James R. Avis Living Trust, and on behalf of his

IRA and Rosemarie A. Avis, as Trustee for the Rosemarie A. Avis Living Trust and on behalf of her IRA, the sum of One Hundred Thirty Three Thousand Four Hundred Five Dollars and No Cents (\$133,405.00) in compensatory damages;

2. Respondent, Piper Jaffray & Company, is liable for and shall pay to Claimants, James R. Avis, as Trustee for the James R. Avis Living Trust, and on behalf of his IRA and Rosemarie A. Avis, as Trustee for the Rosemarie A. Avis Living Trust and on behalf of her IRA, interest on the above-stated sum at the rate of 6% per annum from and including July 20, 2005, through and including the date this Award is paid in full;
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	= \$ 300
--------------------------	----------

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

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 the Chairperson x \$ 450	= \$ 450
Pre-hearing conference: January 13, 2006 1 session	
Two (2) Pre-hearing sessions with Panel x \$ 1,125	= \$ 2,250
Pre-hearing conferences: December 12, 2005 1 session	
April 18, 2006 1 session	
Eight (8) Hearing sessions with Panel x \$ 1,125	= \$ 9,000
Hearing Dates: May 16, 2006 2 sessions	
May 17, 2006 2 sessions	
May 18, 2006 2 sessions	
May 19, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 11,700

The Arbitration Panel has assessed \$ 5,850 of the forum fees jointly and severally to Claimants, James R. Avis, as Trustee for the James R. Avis Living Trust, and on behalf of his IRA and Rosemarie A. Avis, as Trustee for the Rosemarie A. Avis Living Trust and on behalf of her IRA.

The Arbitration Panel has assessed \$ 5,850 of the forum fees jointly and to Piper Jaffray & Company.

FEE SUMMARY

Claimants, James R. Avis, as Trustee for the James R. Avis Living Trust, and on behalf of his IRA and Rosemarie A. Avis, as Trustee for the Rosemarie A. Avis Living Trust and on behalf of her IRAs, are jointly and severally liable for:

Initial Filing Fee	= \$ 300
Forum Fees	= \$ 5,850
Total Fees	= \$ 6,150
Less payments	= \$ 1,425
Balance Due NASD Dispute Resolution	= \$ 4,725

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 5,200
Forum Fees	= \$ 6,850
Total Fees	= \$ 11,050
Less payments	= \$ 5,200
Balance Due NASD Dispute Resolution	= \$ 5,850

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

John Fleming Kelly, Esq. - Public Arbitrator, Presiding Chair
Robert Bronstein - Public Arbitrator
Robert Allen Dudley - Non-Public Arbitrator

Concurring Arbitrators:


John Fleming Kelly, Esq.
Public Arbitrator, Presiding Chair

05/26/06
Signature Date

Robert Bronstein
Public Arbitrator

Signature Date

Robert Allen Dudley
Non-Public Arbitrator

Signature Date

5/26/06
Date of Service (NASD use only)

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 5,200
Forum Fees	= \$ 5,850
Total Fees	= \$ 11,050
Less payments	= \$ 5,200
Balance Due NASD Dispute Resolution	= \$ 5,850

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

John Fleming Kelly, Esq. - Public Arbitrator, Presiding Chair
Robert Bronstein - Public Arbitrator
Robert Allen Dudley - Non-Public Arbitrator

Concurring Arbitrators:

John Fleming Kelly, Esq.
Public Arbitrator, Presiding Chair

Robert Bronstein
Robert Bronstein
Public Arbitrator

Signature Date

5/26/04
Signature Date

Robert Allen Dudley
Non-Public Arbitrator

Signature Date

5/26/06
Date of Service (NASD use only)

Respondent, Piper Jaffray & Company, is liable for:

Member Fees	= \$ 5,200
Forum Fees	= \$ 5,850
Total Fees	= \$ 11,050
Less payments	= \$ 5,200
Balance Due NASD Dispute Resolution	= \$ 5,850

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

John Fleming Kelly, Esq. - Public Arbitrator, Presiding Chair
Robert Bronstein - Public Arbitrator
Robert Allen Dudley - Non-Public Arbitrator

Concurring Arbitrators:

John Fleming Kelly, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert Bronstein
Public Arbitrator

Signature Date



Robert Allen Dudley
Non-Public Arbitrator

5/25/06

Signature Date

5/26/06

Date of Service (NASD use only)