

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Richard P. Wolsfeld, Jr.

90-00050

Name of Respondent(s)

Piper, Jaffray & Hopwood, Inc.  
Warren Michael Adams

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**Case Summary**

Richard P. Wolsfeld ("Claimant") alleged that Warren Michael Adams ("Adams"), a registered representative of Piper, Jaffray, & Hopwood, Inc. ("Piper") (Adams and Piper are collectively referred to herein as "Respondents") churned his account and dumped unwanted Piper inventory into his account. The Claimant also alleged that Piper failed to properly supervise Adams.

The Respondents denied all of the claims of the Claimant and further alleged that the trading in the account was consistent with the Claimant's investment objectives and that the Claimant controlled the activity in the account. Piper also alleged that it properly supervised Adams.

**Relief Requested**

Claimant requested actual damages in the amount of \$672,214.00, punitive damages in the amount of \$2,016,642.00, plus interest, attorneys' fees, and costs. The Respondents requested that the claims of the Claimant be dismissed.

**Award**

On January 2, 1990 the National Association of Securities Dealers ("NASD") received the claim of the Claimant. On November 27, 28, and 29, 1990 in Minneapolis, Minnesota in a hearing lasting seven sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on December 12, 1989 by the Claimant, on January 12, 1990 by AnnDrea Benson on behalf of Piper, and on January 12, 1990 by Adams.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Adams shall be liable for and shall pay to the Claimant actual damages of Seventy Thousand Dollars and no cents (\$70,000.00).
2. Piper shall be liable for and shall pay to the Claimant actual damages of Forty Thousand Dollars and no cents (\$40,000.00).
3. The Respondents shall be jointly liable for and shall pay to the Claimant attorneys' fees and costs of Fifteen Thousand Dollars (\$15,000.00). Minn. Stat. Section 80A.23 subds. 1 and 2.
4. Pursuant to Section 43(c) of the NASD Code of the Arbitration Procedure the NASD shall refund to the Claimant his deposit of \$1,000.00 and the Respondents shall be jointly and severally liable for and shall pay to the NASD \$7,000.00.

Arbitrator(s) Signature

/s/ \_\_\_\_\_ 12/11/90  
James H. Colburn

/s/ \_\_\_\_\_ 12/10/90  
Edward J. Hentges

/s/ \_\_\_\_\_ 12/10/90  
Frederick A. Bohling, Esq.