

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Michael Gene Kipp

Claimant

and

#90-02220

Piper, Jaffray & Hopwood, Inc. and Corbett Griffin

Respondents

REPRESENTATION OF PARTIES

Claimant, Michael Gene Kipp, appeared, and was represented by Loren A. Nalean, Esq.

Respondent, Corbett Griffin appeared, and was represented by Kimberly J. Walker, Esq.

Respondent Piper, Jaffray & Hopwood, Inc., appeared through its corporate representative Thomas Devine and was represented by Kimberly J. Walker, Esq.

CASE SUMMARY

In a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about August 13, 1990 Claimant Michael Gene Kipp, alleged breach of contract and churning due to Respondent, Corbett Griffin's (a broker with Respondent Piper, Jaffray & Hopwood, Inc. "Piper"), failure to follow Claimants stated investment goal to make conservative investments in "Blue Chip" stock and Mutual Funds instead of the extensive margin trading that had occurred in his account between 1983 and 1987. Claimant wanted to increase his equity holdings in his account with Respondent Piper. Respondent Corbett Griffin made discretionary trades on margin for Claimant's account from August 28, 1987 through October 19, 1987 while Claimant was working in Saudi Arabia. Due to these trades, Claimants margin debt was 52% of his account value as of October 19, 1987. By October 20, 1987, the account was being liquidated to cover margin calls resulting from the market decline. The Claimant further alleged deception and fraud on the part of Respondent, Corbett Griffin.

In a statement of answer filed with the NASD on or about October 20, 1990, Respondents Piper and Corbett Griffin denied every claim, allegation, statement or matter set forth in Claimant's Statement of Claim. Respondents further stated that Claimant upon opening his account with Respondent Piper in 1983

executed a Margin Customer Agreement in 1985, and also had executed a Trading Authorization Agreement in 1983 giving Respondent Corbett Griffin the authority to make discretionary trades for Claimant's account. Respondent Corbett Griffin's authority was alleged to have never been revoked. Respondent's further alleged that Claimant had notice of all trades made for his account, and that Claimant knew of his actual account values at all times.

Respondents stated the following as their affirmative defenses:

1. Claimant's statement of claim failed to state a claim for which relief may be granted; and
2. Claimant's claim was barred by the doctrines of estoppel, waiver, laches, and that the claim may be barred by the applicable statute of Limitations.

RELIEF REQUESTED

Claimant, Michael Gene Kipp, requested the Arbitrator award him \$26,652.00 plus interest.

Respondents, Piper and Corbett Griffin, requested that Claimant's statement of claim be dismissed, and also requested they be awarded their costs in defending this Arbitration.

PROCEDURAL MATTERS

On September 18, 1991 in Omaha, NE during a hearing lasting a total of 2 sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on September 21, 1989 by Claimant Michael Gene Kipp on October 5, 1990 by AnnDrea Benson on behalf of Respondent Piper, Jaffray & Hopwood, Inc. and on October 8, 1990 by Respondent Corbett Griffin.

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive typed conformed copies of the award while the original remains on file with the NASD.

AWARD

The arbitrator, 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. Claimant's claims against Respondents Piper, Jaffray & Hopwood, Inc. and Corbett Griffin are hereby dismissed and denied; and
2. The forum fees of this arbitration shall be divided equally amongst the parties as follows:
 - a. Pursuant to Section 43 (C) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$100 filing fee and the

- b. hearing session deposit in the amount of \$300.00 previously deposited with the NASD by the Claimant; and Pursuant to Section 43 (c) of the Code of Arbitration Procedure, Respondents Piper, Jaffray & Hopwood, Inc. and Corbett Griffin are jointly and severally liable to and shall pay to the NASD \$300 for the additional hearing session held on September 18, 1991 in Omaha, Nebraska.

Dated:

November 21, 1991

Wayne S. Rasmussen
Wayne S. Rasmussen, Esq.
Presiding Chair
Public Arbitrator