

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

James V. Leinweber  
Jean Leinweber

vs.

NASD #92-02321

Name of Respondents

Piper, Jaffray & Hopwood, Inc.  
Jaime Liable

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REPRESENTATION

For Claimants: Robert N. Dompier, Esq. of Schimanski, Leeds & Conrad of Spokane, Washington.

For Respondents: Frederick D. Huebner, Esq. of Helsell, Fetterman, Martin, Todd & Hokanson of Seattle, Washington.

CASE INFORMATION

Statement of Claim filed: July 14, 1992

Claimant's Submission Agreement signed: July 1, 1992

Statement of Answer filed by Respondents on: October 15, 1991

Respondents' Submission Agreements signed on:

Jaime Liable:	October 16, 1992
Piper, Jaffray:	October 9, 1992

### **HEARING INFORMATION**

Prehearing Conference(s) Date(s) Sessions: None

Hearing Date/ Sessions: March 18, 1993 (two sessions)

Hearing Location: Seattle, Washington

### **CASE SUMMARY**

Claimants alleged: Respondents Piper Jaffray and Jaime Liable purchased an Oregon economic development revenue bond on March 29, 1990 for a total purchase price of \$5,113.74, and on October 26, 1990 in the total amount of \$10,061.57. The purchase of the bonds were not suitable for claimants, was made in a negligent manner and the broker did not make reasonable inquiry regarding the bonds as they were already in default at the time of purchase.

Respondents alleged: Claimant James Leinweber is an experienced businessman and investor who was introduced to Liable by his claimant's brother. His objectives were income and growth and claimant had responsibility for selecting all investments. Full disclosure was made to claimants and respondents had no knowledge of problems with the claimants' investments. Respondents denied any misrepresentations, lack of suitability or negligence and alleged various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested:

1. Lost principal or investment of \$15,175.31;
2. A) Interest on \$5,113.74 from April 1, 1990 through July 1992 at 8%: \$920.47 and 34.09 each month thereafter;  
B) Interest on \$10,061.57 from September 1, 1990 through July 1992 (no rate specified): \$1,475.73 and \$67.08 each month thereafter;
3. Consumer Protection Act Damages pursuant to RCW 19.86: \$10,000;
4. Attorney's fees and costs pursuant to RCW 21.20.430(1): \$10,000 (estimate).

### 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 the 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. All claims are dismissed; and
2. The parties shall pay their respective costs and attorney's fees.

### OTHER COSTS

None.

### FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc. shall retain the \$400 hearing session deposit previously deposited by the claimant. Forum fees assessed against:

Respondents, jointly and severally, for \$400.00

calculated as follows: Two hearing sessions at \$400/session equals \$800, minus \$400 already paid by claimants as a hearing deposit.

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Fees are payable to the National Association of Securities Dealers,

ARBITRATION PANEL

Name

Herbert H. Freise, Esq.  
Frank P. Blakeslee  
McCall Richey

Public/Industry

Public Arbitrator  
Public Arbitrator  
Industry Arbitrator

Concurring Arbitrators' Signature



Herbert H. Freise, Esq.

DATE SERVED: 04/21/93

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Frank P. Blakeslee

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McCall Richey

Date of Decision: 4-14-93