

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

George O. and Leona M. Holm

92-03244

Name of Respondents

Piper, Jaffray & Hopwood, Inc.
Piper Capital Management Incorporated
Lynn Danz Kaye

REPRESENTATION

For Claimants at the hearing: Peter J. Timmons, Esq., Minneapolis, Minnesota.

For Respondents at the hearing: Edward J. Pluimer, Esq. of Dorsey & Whitney, Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: September 14, 1992. Claimant's Submission Agreement signed on: September 10, 1992.

Joint Statement of Answer filed by Respondents on: November 25, 1992. Respondent, Lynn Danz Kaye's Submission Agreement signed on: November 16, 1992. Respondent, Piper Jaffray & Hopwood, Inc.'s Submission Agreement signed on: November 13, 1992. Respondent Piper Capital Management Inc.'s Submission Agreement signed on: November 13, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: August 10, 1993 for two (2) sessions:
August 11, 1993 for two (2) sessions.

Hearing Location: Minneapolis, Minnesota.

CASE SUMMARY

Claimants, George and Leona Holm ("Claimants") alleged that Respondents, Piper Jaffray, Inc. ("Piper"), Piper Capital Management Inc. ("Piper Capital"), and Lynn Kaye ("Kaye"), collectively "Respondents", unduly pressured Claimants to place a large portion of their retirement money in commission intensive, risky, and otherwise unsuitable stock investments and to switch their money from conservative mutual funds to highly risky stock investments. Claimants alleged that Kaye invested their funds into a "Piper Private Account." Claimants alleged that Respondents breached their fiduciary duties, violated Section 10(b) and rule 10b-5, was negligent, violated state securities laws, engaged in common law fraud and negligent misrepresentation.

Respondents denied the claims and alleged that the claims are frivolous. Respondents alleged that the decline in the Claimant's portfolio value was a function of overall moves in the market. Respondents alleged that they acted in good faith and in the exercise of their best business and financial judgment.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of \$291,958.30; for an award of any and all trading profits and/or commissions made by respondents at the expense of Claimants, punitive damages, attorneys' fees, interest, costs, disbursements and expenses, and other relief as the arbitrators deem just and equitable.

Respondents requested that the Statement of Claim be dismissed and that the panel assess the Claimants and their legal counsel all costs, expenses and attorneys' fees incurred by Respondents in defending themselves, and other relief as the arbitrators deem just and equitable.

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. Claimant's Statement of Claim is denied and dismissed in its entirety;

2. Claimants shall be and hereby are liable for and shall pay to the Respondents, attorneys' fees in the sum of Seven Thousand Five Hundred Dollars and No Cents (\$7500.00). The panel awarded attorneys' fees under the authority of Minn. Stat. Section 549.21, subd. 2 and Uelman 464 N.W. 2d 130 (Minn.1990).

3. Each of the parties shall bear their own costs and expenses incurred other than those specifically enumerated herein.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

4 sessions X \$750 = \$3000 minus hearing session deposit of \$750 = net \$2250 due.

Forum fees Assessed Against Claimants in the amount of \$2250.00.

Fees are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

9/29/93

George A. Beck, Esq., Presiding
Public Arbitrator


Andrew R. Dick, Esq.
Public Arbitrator

William J. Rosso
Industry Arbitrator

Date Award Served By The NASD: 10-15-93

92-3244

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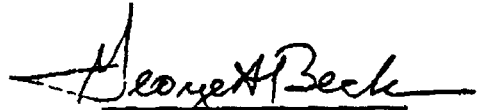
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By The Arbitration Panel:

Dated:

George A. Beck, Esq., Presiding
Public Arbitrator

Andrew R. Dick, Esq.
Public Arbitrator

10/4/93

William J. Rosso
Industry Arbitrator

Date Award Served By The NASD: 10-15-93