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NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Satish C. Bansal, and
Roopa Bansal,

Claimants,

v.

No. 95-03290

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Securities Dealers, Inc.

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Gregory Schaff, and
Piper Jaffray Hopwood,
Respondents.

REPRESENTATION OF PARTIES

Satish C. Bansal appeared on behalf of Satish C. Bansal, and Roopa Bansal ("Claimants").

Gregory Schaff ("Schaff"), and Piper Jaffray Hopwood ("PJH") ("Respondents") were represented by Jane Godfrey, Esq., and Michael Comgold, Esq., of Leonard, Street & Deinard, Minneapolis, Minnesota.

CASE INFORMATION

Claimants' Statement of Claim was filed on or about July 7, 1995. Claimants' Submission Agreement was signed on June 28, 1995.

Respondents' Statement of Answer was filed on or about August 15, 1995. Respondents' Submission Agreements were signed on or about July 26, 1995.

HEARING INFORMATION

A telephonic pre-hearing conference was held on May 8, 1996 for one (1) session.

The hearing was held on May 13, 14 and 15, 1996 for two (2) sessions each day in Kansas City, Missouri for a total of six (6) sessions.

CASE SUMMARY

Claimants alleged that: Schaff sold them the wrong kinds of stocks listed on the New York Stock Exchange with the false promise that they were safe investments irrespective of the going rate of

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interest; all of the issues were initial public offerings in which PJH was a market maker; Schaff mislead Claimants that the securities were interest rate sensitive when they were not, and that the Term Trusts would, at least, return the purchase price; all of the investments were derivatives that PJH managed; Schaff took advantage of Claimant's ignorance in this type of interest; Schaff was aware of the risky nature of the investments; and Respondents made good commission income by selling Claimants similar types of initial public offering stocks in a short span of time. The allegations arose out of transactions in the following securities: Hyperion 1997 Term Trust Inc.; American Adjust Rate Term Trust - 1996; American Strategic Income Portfolio D; American Strategic Income Portfolio II-D; American Strategic Income Portfolio III; Alliance World Dollar Govt Fund II; American Select Portfolio Inc.; and American Adjustable Rate (CDJ) Trust 1997.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated

that: Claimants commenced this arbitration in the wake of a swift succession of interest rate hikes, instituted by the Federal Reserve in 1994, which triggered a collapse of the bond and debt securities markets; as a result of the collapse, Claimants' various fixed income investments declined in value; prospectuses in the funds purchased by Claimants were sent to Claimants and repeatedly described in detail the significant risks associated with their investments, including every risk of which they now complain; the prospectuses cautioned investors that an investment in the funds in question could lose money, particularly if interest rates were to rise precipitously, as they subsequently did; and Claimants' losses, if indeed they suffered any, resulted from market declines, not from any purported misconduct by Respondents.

RELIEF REQUESTED

Claimants requested an award in the amount of \$57,168 against the Respondents.

Respondents requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

In their Answer to the Statement of Claim, Respondents filed a Motion to Dismiss non-PJH products. The motion was denied by the arbitrators.

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

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Claimants' claims are, and each of them, denied with prejudice.

Each party shall bear its own costs and expenses, including attorneys' fees, associated with this arbitration.

FORUM FEES

Forum fees are calculated at the rate of \$ 00 per hearing session and \$300 for each prehearing conference, if any. There were six (6) regular sessions x \$500 and one (1) pre-hearing session x \$300 = \$3,300 in forum fees. Pursuant to §43(b) of the NASD Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §43(c) of the Code, the NASD shall **retain** the non-refundable filing fee in the amount of \$150 and shall **retain** as forum fees the hearing session deposit in the amount of \$500 previously deposited with the NASD by the Claimants.

Pursuant to §45 of the Code, the NASD shall retain the member surcharge fee in the amount of \$300 previously paid by PJH.

Additional forum fees in the amount of \$1,150 are assessed against the Claimants.

Additional forum fees in the amount of \$1,650 are assessed against PJH.

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

Dated:

/s/

June 17, 1996

/s/

June 15, 1996

/s/

June 14, 1996