

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Dale Snodgrass w/POA for Sylvia Gadbaw

95-04352

Name of Respondent

Piper Jaffray, Inc.
Doug B. Nichols

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 10, 1995, Claimant Dale Snodgrass with a Power of Attorney for Sylvia Gadbaw ("Claimant"), who appeared Pro Se, alleged that in December of 1992, Respondent Piper Jaffray, Inc. ("PJI"), through its representative Respondent Doug B. Nichols ("Nichols"), recommended he purchase for Sylvia Gadbaw's ("Gadbaw") account the Nichols ("Nichols") American Adjustable Rate Term Trust, Inc., 1999 ("Trust") which he followed. Claimant further alleged that he specifically requested a no risk, fixed income, liquid investment because of Gadbaw's advanced age and retirement needs. Claimant contended that after monthly payments began in 1993 he became dissatisfied with Nichols handling of the account and transferred it to Edward D. Jones & Co. Claimant further contended that after the transfer he discovered that the Trust did not guarantee a return of 100% of the principal contrary to what he had been led to believe. Claimant alleged that he never received a prospectus and that as a result of the above, Gadbaw has suffered a loss for which the Respondents should be held liable.

Respondents Piper Jaffray, Inc., and Doug B. Nichols, through their representative and in-house counsel, Richard D. Estenson, Esq., maintained that Claimant received a prospectus for the Trust which repeatedly and specifically warned of the significant risks associated with this investment. Respondents further maintained that the prospectus, in no uncertain terms, cautioned that a precipitous rise in interest rates could result in a loss for the Trust investors. Respondents contended Nichols gave the Claimant several investment options and Claimant insisted on investing in the Trust. Respondents further contended that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Dale Snodgrass w/POA for Sylvia Gadbaw, requested \$8,750.00 in actual damages.

Respondents Doug Nichols and Piper Jaffray, Inc., requested that the claims of the Claimant be dismissed.

AWARD

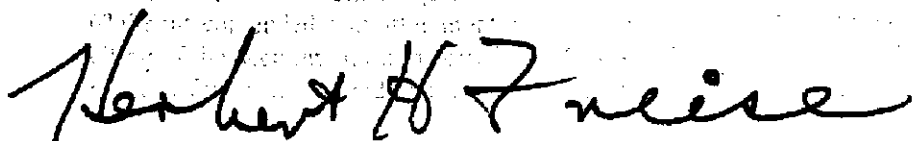
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Herbert H. Freise, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 16, 1995, and by the Respondent Piper Jaffray, Inc. on November 2, 1995, and Respondent Doug B. Nichols on November 17, 1995.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Dale Snodgrass w/POA for Sylvia Gadbow, against Respondents Piper Jaffray, Inc., and Doug B. Nichols, are denied in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, **HERBERT H. FREISE, ESQ.**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Herbert H. Freise, Esq.

DATE OF DECISION: March 28, 1996