

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant(s)

Steven E. Toepel

v.

Arbitration No.
96-01730

Name of Respondent(s)

Piper Jaffray, Inc.
James McColley

REPRESENTATION

For Claimant: John A. Bender, Jr., Esq., Weiss, Jensen, Ellis & Howard, Seattle, Washington.

For Respondents: Brian S. Hellberg, Esq., Piper Jaffray, Inc., Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: April 22, 1996

Claimant's Submission Agreement signed: April 18, 1996

Joint Statement of Answer filed: July 22, 1996

Supplemental Answer and Counterclaim filed: December 9, 1996

Respondents' Submission Agreements signed:

Piper Jaffray: July 22, 1996

James McColley: July 19, 1996

HEARING INFORMATION

The hearing was held in Seattle, Washington on July 9, 1997, and lasted 2 sessions.

CASE SUMMARY

Claimant alleged that Respondents improperly withheld wages by deducting alleged excess draw from his personal investment account after he voluntarily resigned his employment with Respondent Piper Jaffray. Claimant alleged the margin agreement associated with his personal investment account did not implicate any connection between employment issues and his customer account, and that Respondents' actions constituted the tort of conversion. Claimant further alleged that he had no agreement with Respondents to refund any excess of draw over commissions, nor that there was a requirement to do so. Claimant alleged Respondents' actions violated Washington statute RCW §49.48.010 and RCW §49.52.050.

Respondents denied the allegations of the claim and stated that they acted properly at all times. Respondents asserted that the debit assessed to Claimant's investment account did not constitute the withholding of wages, but was a necessary and appropriate action taken under the circumstances to collect a valid indebtedness that Claimant expressly and impliedly admitted to be due and owing. Respondents asserted that their actions were expressly authorized by Claimant under the terms of the margin agreement.

Respondents further asserted that this claim does not fall under the Washington wage laws cited by Claimant. Respondent Piper Jaffray asserted a counterclaim alleging breach of contract, stating that Piper Jaffray advanced money to Claimant in the form of draw against commissions, and to the extent that Claimant was advanced more than he earned in commissions, a debit balance to Piper Jaffray was created. Piper Jaffray further asserted that pursuant to the course of dealing between the parties and pursuant to industry standards, any debit balance would either be offset by commissions earned, or in the event Claimant terminated his employment, the debit balance would be due and payable.

RELIEF REQUESTED

Claimant requested damages of \$12,739.08, plus interest, costs of arbitration, and attorneys' fees pursuant to Washington statute.

Respondents requested dismissal of the claim. Respondents also requested that if the arbitration panel determined Piper Jaffray did not have a contractual right to offset Claimant's draw by debiting his customer account, an award of \$12,729.08 was requested on the breach of contract claim. Piper Jaffray also requested an award of costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

At the conclusion of the presentation of Claimant's case, Respondents moved for a directed verdict. After hearing argument on the motion, the panel denied the motion.

The parties have agreed to receive conformed copies of the Award while the originals remain on file with NASDR, Inc.

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. The claims brought by Claimant are dismissed in their entirety.
2. The counterclaim is dismissed in its entirety.
3. The parties shall bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 10205 of the Code of Arbitration Procedure, the NASDR shall retain the non-refundable filing fees (\$500 each) paid by the parties. Forum fees are to be assessed as follows:

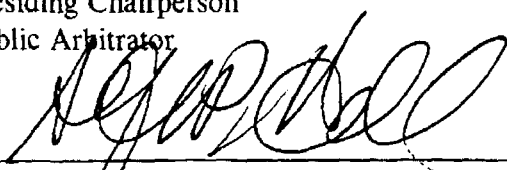
Total fees:	
2 hearing sessions @\$600/session	\$1,200.00
Claimant's one-half share	\$ 600.00
Credit for deposit	<u>\$ 300.00</u>
Balance Due:	<u>\$ 300.00</u>
Respondent Piper Jaffray's one-half share	\$ 600.00
Credit for deposit	<u>\$ 600.00</u>
Balance Due:	<u>\$ 0.00</u>

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

Concurring Arbitrators Signatures:

Date signed:

Katherine Hendricks
Presiding Chairperson
Public Arbitrator



Alfred P. Knoll
Public Arbitrator

Mark D. Roth
Securities Industry Arbitrator

7/25/97

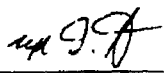
Date Served: 07/30/97

Concurring Arbitrators Signatures:

Date signed:

Katherine Hendricks
Presiding Chairperson
Public Arbitrator

Alfred P. Knoll
Public Arbitrator

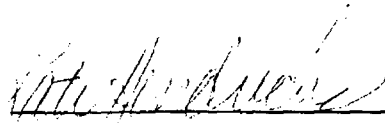

Mark D. Roth
Securities Industry Arbitrator

July 23, 1997

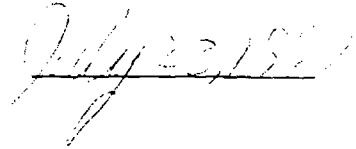
Date Served: 07/30/97

Concurring Arbitrators Signatures:

Date signed:



Katherine Hendricks
Presiding Chairperson
Public Arbitrator



Alfred P. Knoll
Public Arbitrator

Mark D. Roth
Securities Industry Arbitrator

Date Served: 07/30/97