

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Thomas R. Clements

96-02797

Name of Respondent

Piper Jaffray Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 28, 1996, claimant Thomas R. Clements ("claimant"), who appeared Pro Se, alleged that respondent Piper Jaffray, Inc. sold him an investment to his detriment. Claimant further alleged that he was retired and looking for preservation of capital and income. Claimant also alleged that pursuant to respondent's recommendation, he purchased a total of 2,250 shares of The America Government Income Fund (the "Fund"), rated AA by Standard & Poors, in June of 1993 and February of 1994. Claimant contended that in August of 1994, the Wall Street Journal reported that the Fund was heavily involved in derivatives. Claimant further contended that he tried to reduce his losses by selling 1,000 shares in October of 1994 and the balance in January and February of 1996. Claimant also contended that the manager of the Fund changed the investment structure and he has therefore sustained a loss. Claimant asserted that the by-laws of the Fund indicated that the investment was conservative not speculative and his actions are a flagrant violation of the company's stated objective of "preservation of capital." Claimant also asserted that as a result of the above, he has suffered a loss for which the respondent should be held liable.

Respondent Piper Jaffray, Inc. through its representative and counsel, Todd A. Noteboom, Esq., of the law firm of Leonard, Street & Deinard, located in Minneapolis, Minnesota, maintained that claimant commenced this claim two years after the Federal Reserve instituted a swift succession of interest rate hikes in early 1994. Respondent further maintained that those hikes collapsed the bond and debt securities markets sending the prices quickly downward. Respondent also maintained that one of those securities which declined in value was the Fund. Respondent contended that it is not at fault for this market activity and, in fact, disclosed a material information to claimant. Respondent also contended that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Thomas R. Clements requested \$7,275.00 in actual damages.

Respondent Piper Jaffray, Inc. requested that the claims be dismissed in their entirety.

AWARD

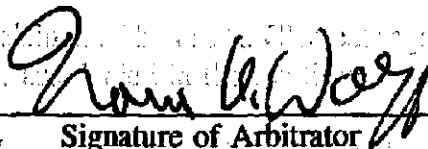
Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Norris D. Wolff, Esq., was selected to review the matter in controversy between the parties set forth in submissions to arbitration signed by the claimant on June 25, 1996, and by respondent on July 23, 1996.

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 Thomas R. Clements against respondent Piper Jaffray, Inc. are denied in their entirety.
2. The parties shall bear their respective costs and attorney's fees.
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.
4. All other relief requests are denied.

AFFIRMATION

I, Norris D. Wolff, Esq., do hereby swear or affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument, which is my award.


Signature of Arbitrator

DATE OF DECISION: December 24, 1996