

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Piper Jaffray, Inc.

and

98-00202

Name of Respondent

Grace Marie Miles

REPRESENTATION OF PARTIES

Piper Jaffray, Inc. ("Claimant") was represented by Brian S. Hellberg, Esq., Piper Jaffray, Inc., Minneapolis, Minnesota.

Grace Marie Miles ("Respondent") was represented by Anthony M. Englese, Esq., San Francisco, California. Neither Respondent nor her attorney appeared at the hearing.

CASE INFORMATION

The Statement of Claim was filed on or about January 15, 1998. Motion to Strike Answer and Affirmative Defenses was filed on or about March 10, 1999. Submission Agreement of Claimant Piper Jaffray, Inc. was signed on January 9, 1998 by Brian S. Hellberg.

Statement of Answer was filed by Respondent Grace Marie Miles on or about July 6, 1998. Submission Agreement of Respondent Grace Marie Miles was signed on July 1, 1998.

HEARING INFORMATION

The hearing was held on Monday, April 5, 1999 in Minneapolis, Minnesota for one (1) session.

CASE SUMMARY

Claimant alleged that on May 28, 1996, it and Respondent entered into a Loan and Compensation Agreement (the "Agreement"). Pursuant to the terms of the Agreement Claimant loaned to Respondent the sum of \$90,000.00 concurrently with the execution of the Agreement. The loan is evidenced by a Promissory Note (the "Note") also executed by Respondent on May 28, 1996. Claimant also alleged that the terms of the Note provide that any unpaid principal balance, plus

accrued interest, shall become immediately due and payable upon the termination of Respondent's employment. It was stated that Respondent terminated her employment on December 15, 1997. The unpaid balance was \$60,000.00.

Respondent denied that she is indebted to Claimant. Respondent specifically stated that representatives of Claimant made false representations and promises to her to induce her to associate with the firm.

RELIEF REQUESTED

Claimant requested an award in the amount of \$60,000.00; interest from May 8, 1997 through the date of payment at the rate of 8% per annum, as provided by the terms of the Note; costs of collection, including reasonable attorneys' fees and forum fees, as provided by the terms of the Note; and such other and further relief as the Arbitration panel deems just and equitable.

Respondent requested that the claims asserted against her be dismissed with prejudice and that she be awarded her costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Grace Marie Miles had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

The Motion to Strike Answer and Affirmative Defenses was considered by the undersigned arbitrators and denied.

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 original(s) remain on file with the NASD Regulation, Inc. Office of Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions of Claimant, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Grace Marie Miles shall be and hereby is liable for and shall pay to the Claimant Piper Jaffray, Inc. the sum of \$60,000.00 (**Sixty Thousand Dollars**) as compensatory damages.
2. Respondent Grace Marie Miles shall be and hereby is liable for and shall pay to the Claimant Piper Jaffray, Inc. pre-award interest in the amount of \$9,165.55 (**Nine Thousand One Hundred Sixty Five Dollars and Fifty Five Cents**). Post award interest at the rate of 8% per annum is awarded on the sum stated in paragraph 1 above from and inclusive of April 6, 1999 to and inclusive of the date the award is paid.
3. Respondent Grace Marie Miles shall be and hereby is liable for and shall pay to the Claimant Piper Jaffray, Inc. the sum of \$2,500.00 (**Two Thousand Five Hundred Dollars**) as attorneys' fees and costs. The award of this sum is not intended to limit the recovery or collection by Claimant of additional sums incurred to collect monies due pursuant to this award.
4. Respondent Grace Marie Miles shall be and hereby is liable for and shall pay to the Claimant Piper Jaffray, Inc. the sum of \$2,000.00 (**Two Thousand Dollars**) as expenses incurred by any witness for travel to attend the hearing.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Forum fees are calculated at the rate of \$600.00 per hearing session and \$300.00 for each pre-hearing conference, if any. There was one (1) session x \$600.00 = \$600.00 in forum fees. Pursuant to Rule 10205(b) 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 Rule 10205(c) of the Code, the NASD shall retain the non-refundable filing fee in the amount of \$500.00 and shall retain as forum fees the hearing session deposit in the amount of \$600.00 previously deposited with the NASD by the Claimant Piper Jaffray, Inc.

OTHER FEES

Pursuant to Rule 10333 of the Code, the NASD shall retain the non-refundable member surcharge in the amount of \$1,000.00.

Pursuant to Rule 10333 of the Code, Claimant Piper Jaffray, Inc. has paid to the NASD the process fees in the total amount of \$1,050.00 previously invoiced. Pursuant to Rule 10333 of the Code,

Claimant Piper Jaffray, Inc. shall pay to the NASD the past due process fees in the total amount of \$1,050.00 previously invoiced.

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

/s/ Edward C. Oliver
Edward C. Oliver
Industry Arbitrator, Presiding Chair

Dated: April 12, 1999

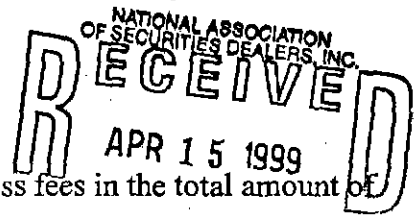
/s/ Julie A. Hennen
Julie A. Hennen
Industry Arbitrator

April 19, 1999

/s/ William J. Rosso
William J. Rosso
Industry Arbitrator

April 12, 1999

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Edward C. Oliver

Edward C. Oliver
Industry Arbitrator, Presiding Chair

Dated: 4-12-99

Julie A. Hennen
Industry Arbitrator

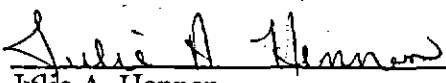
William J. Rosso
Industry Arbitrator

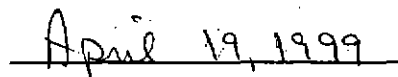
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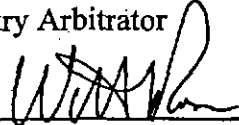
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4/12/99