

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Bloomberg Tradebook LLC, (Claimant) vs. Piper Jaffray Inc., (Respondent)

Case Number: 99-00615

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant Bloomberg Tradebook LLC, hereinafter referred to as "Claimant": Richard L. Klein, Esq., Willkie Farr & Gallagher, New York, NY.

Respondent Piper Jaffray Inc., hereinafter referred to as "Respondent": Frank A. Taylor, Esq., Hinshaw & Culbertson, Minneapolis, MN. Previously represented by: Mark S. Reed, Esq., Vice President and Assistant General Counsel, US Bancorp Piper Jaffray, Minneapolis, MN.

CASE INFORMATION

Statement of Claim filed on or about: February 11, 1999.

Reply to Counterclaim filed on or about: September 17, 1999.

Claimant signed the Uniform Submission Agreement: January 25, 1999.

Statement of Answer filed by Respondent on or about: April 8, 1999.

Statement of Answer and Counterclaim filed by Respondent on or about: August 31, 1999.

Respondent signed the Uniform Submission Agreement: April 7, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: failure to pay invoices for services; breach of contract; and account stated.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant is barred from relief because it cannot establish the existence of a contract or agreement entitling it to the relief it seeks in this arbitration proceeding; Claimant is barred from relief because any contract or agreement that would otherwise entitle it to the relief it seeks is void or voidable because Claimant's fee structure did not comport with applicable regulatory requirements; and Claimant is barred from relief under any purported claim for breach of contract because it breached the implied covenant of good faith and fair dealing.

In its Counterclaim, Respondent asserted the following causes of action: violations of Exchange Act Rule 11Ac1-1 and NASD Rule 2110.

Unless specifically admitted in its Reply, Claimant denied the allegations made in the Counterclaim and asserted the following defenses: Respondent is not entitled to access Claimant's services because it refuses to pay for them and Claimant has represented to Respondent that access to Claimant's services will be restored once Respondent agrees to pay its outstanding obligations and for future services as they come due.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$89,158.50, plus interest, the costs of collection, attorneys' fees, and such other relief as the Panel deems just and proper.

In its Answer and Counterclaim, Respondent requested an Award dismissing the Statement of Claim and all claims asserted therein in their entirety; awarding Respondent damages on its Counterclaim in an amount to be established at the hearing in this matter; and awarding Respondent its reasonable attorneys' fees, costs, and expenses incurred in this matter.

In its Reply to the Counterclaim, Claimant requested an Award denying Respondent's Counterclaim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Claimant made a motion to exclude Respondent's Counterclaim. The Panel granted this motion with respect to the claims under the Securities and Exchange Commission Rule 11a (no private rights of action), but permitted the Counterclaim to proceed pursuant to the implied contract under NASD regulations.

At the conclusion of Claimant's case, Respondent made a Motion to Dismiss. After due deliberation, the Panel denied this Motion.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent be and hereby is liable for and shall pay to Claimant the sum of

\$89,158.50 as compensatory damages, plus interest at the rate of 9% per annum accruing from April 22, 1998 until the date the Award is paid.

2. Respondent's Counterclaim is hereby denied in its entirety.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 500.00
Counterclaim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Bloomberg Tradebook LLC and Piper Jaffray Inc. are parties.

Bloomberg Tradebook LLC

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Piper Jaffray Inc.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$300.00	= \$ 300.00
Pre-hearing conference: December 8, 1999 1 session	
One (1) Pre-hearing session with Panel x \$600.00	= \$ 600.00
Pre-hearing conference: August 10, 1999 1 session	

Seven (7) Hearing sessions x \$600.00		= \$4,200.00
Hearing Dates:		
	December 9, 1999	2 sessions
	December 10, 1999	1 session
	September 25, 2000	2 sessions
	September 26, 2000	2 sessions
Total Forum Fees		= \$5,100.00

1. The Panel has assessed \$2,550.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,550.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$3,100.00
Forum Fees	= \$2,550.00
Total Fees	= \$6,150.00
<u>Less payments</u>	<u>= \$4,200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,950.00

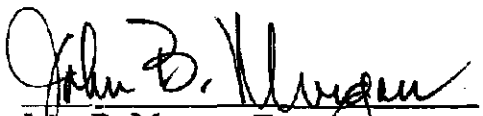
2. Respondent be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 500.00
Member Fees	= \$3,100.00
Forum Fees	= \$2,550.00
Total Fees	= \$6,150.00
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,050.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby 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.



John B. Morgan, Esq.
Industry Arbitrator, Presiding Chair

11/02/2000

Signature Date

Jonathan Frede
Industry Arbitrator

Signature Date

S. William Gersten
Industry Arbitrator

Signature Date

November 6, 2000
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 99-00615
Award Page 6

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Signature Date



S. William Gersten
Industry Arbitrator

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