



In the Matter of the Arbitration between :

Claimants, :

v. :

PIPER, JAFFRAY & HOPWOOD INCORPORATED, :
Respondent. :

AWARD

MS89-57
SC9-026

The Undersigned, pursuant to section 34(f) of MSRB rule G-35, hereby states as follows:

CASE SUMMARY

Claimants allege that the Respondent violated various provisions of the Securities and Exchange Act and the rules of the National Association of Securities Dealers, Inc. by misrepresenting an investment titled "City of Rochester, Minnesota First Mortgage Revenue Bonds of 1983-Charterhouse, Inc. Project," which bonds defaulted approximately three years later. The Claimants contend that the Respondent assured them that the City of Rochester or the Methodist Hospital would guarantee the return of principal in the event of default. The Claimants also complain that they did not receive a copy of the Official Statement at the time of the offer or purchase. Respondent denied all of the contentions of the Claimants.

RELIEF REQUESTED

Claimants requested actual damages in an amount in excess of \$4,000 plus commissions, costs, interest and attorney's fees. Respondent requested that the Statement of Claim be dismissed and that it be awarded its costs.

AWARD

On December 20, 1989, in Minneapolis, Minnesota, the undersigned arbitrator heard the controversy between the parties set forth in submissions to the arbitrator signed by Claimants on June 9, 1989 (filed with the MSRB on July 3, 1989) and by Respondent on August 3, 1989. The arbitrator, having considered the pleadings, the evidence presented and the arguments of counsel, has determined in full and final resolution of the issue submitted for determination as follows:

The claims of the Claimants shall be dismissed in their entirety. The parties shall each bear their respective costs and attorney's fees. Pursuant to section 2 of MSRB rule A-16, Claimants' \$100 arbitration deposit shall be retained by the MSRB as forum fees.


Ewald L. Moerke, Jr.

Dated: 1/21/90

STATE OF ~~MISSISSIPPI~~
COUNTY OF ~~MISSISSIPPI~~

ss.:

On this 24 day of January, 1990, before me personally
appeared _____ to me known and known to me to be
the individual described in and who executed the foregoing
instrument and he duly acknowledged to me that he executed the
same.

William F. Tracy, Jr.