

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

| | | |
|--------------------------------------|---|---|
| In the Matter of Piper Jaffray & Co. |) | ORDER FOR AND NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING |
| and Brady Vollmers, |) | |
| |) | |
| |) | |
| Respondents. |) | |

.....

The North Dakota Securities Commissioner has conducted an investigation into the above-referenced matter and has determined that the Respondents have engaged in acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code. These factual findings, as well as the relevant legal conclusions, are outlined below.

1. Respondent, Piper Jaffray & Co., (CRD #665) is a broker-dealer headquartered in Minneapolis, Minnesota, and for all times relevant to this matter, registered as a broker-dealer with the North Dakota Securities Department.
2. Respondent, Brady Vollmers, (CRD #2093564) is a North Dakota resident and was a registered agent of Piper Jaffray in North Dakota from February 16, 2000, through August 14, 2006. He is currently registered as an agent with Stifel, Nicolaus & Company, Incorporated.
3. On or about January 19, 2006, Respondent Vollmers sold two funds of the American fund family for a North Dakota investor in the principal amount of \$17,272.68. The proceeds of these sales were then used to purchase a Fidelity Advisors fund on January 25, 2006. Compliance procedures established by Piper Jaffray at that time

required the agent to complete a "Mutual Fund Transaction Letter" when one mutual fund family was being exchanged for another mutual fund family. The form required certain disclosures to the customer, was to be acknowledged by the customer, signed by the agent and the agent's supervisor. One of the purposes of this document was to ensure that the supervisor had sufficient information to determine whether the exchange was suitable for the customer. With respect to the transactions described herein, the Respondents did not timely maintain (and may not have created) a Mutual Fund Transaction Letter. The customer denies authorizing the transactions but no finding is made as to whether the transactions were authorized or unauthorized.

4. Pursuant to N.D.C.C. § 10-04-10.3 and N.D.A.C. § 73-02-07-01, every broker-dealer and agent conducting business in this state are required to maintain certain books and records as described therein. Respondents' failure to produce the required Mutual Fund Transaction Letter as requested by the Securities Department constitutes a violation of these provisions.

5. Respondent Piper Jaffray failed to supervise Respondent Vollmers with respect to these transactions in that it failed to comply with its own supervisory procedures. Pursuant to N.D.C.C. § 10-04-11(1)(m), a broker-dealer is required to properly supervise its agents.

6. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared in violation of Chapter 10-04 of the North Dakota Century Code, the Securities Commissioner has the authority to Order that a person Cease and

Desist from violations of the Securities Act, to rescind transactions made in violation of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16(1).

7. This order is necessary and appropriate in the public interest for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, that:

1. Respondent, Piper Jaffray, shall properly supervise the activities of its agents with regard to all securities-related activity in North Dakota.
2. Respondent, Piper Jaffray, shall pay a civil penalty of \$2,000, payable to the North Dakota Securities Department, pursuant to N.D.C.C. § 10-04-16(1).
3. Respondent, Brady Vollmers, shall pay a civil penalty of \$500, payable to the North Dakota Securities Department, pursuant to N.D.C.C. § 10-04-16(1).
4. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of repaying aggrieved investors, as appropriate.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that, pursuant to N.D.C.C. §10-04-12, you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN

FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. You have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 13th day of January, 2012.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Piper Jaffray & Co.
and Brady Vollmers,

Respondents.

)
)
)
)
)

AFFIDAVIT OF SERVICE BY MAIL

.....

I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On January 13, 2012, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of the following document:

**ORDER FOR AND NOTICE OF CIVIL PENALTY AND
NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

Ann C. McCague
Director of Compliance
Piper Jaffray & Co.
800 Nicollet Mall
Minneapolis, MN 55402-7020

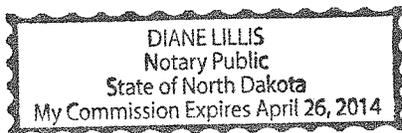
Brady Vollmers
351 Telstar Drive
Bismarck, ND 58503

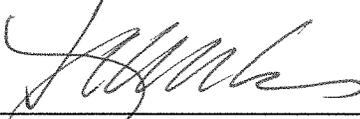
To the best of my knowledge, information, and belief, the address given above is the last known address of the party intended to be served.



Jacquie Ferderer

Subscribed and sworn to before me on this 13 day of January, 2012.





Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2014