

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Piper Jaffray & Co.,)
)
 Respondent.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has advised the Respondent, Piper Jaffray & Co., that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Piper Jaffray & Co., is a securities dealer headquartered in Minneapolis, Minnesota. Respondent is, and for all times relevant to this matter, has been registered as a dealer with the Securities Department.
2. Drew Likness is an individual who was formerly a securities agent employed by and associated with Respondent. For all times relevant to this matter, Likness has been registered as a securities agent with the Securities Department.
3. From 2000 to 2002, Respondent, through its agent Likness, conducted several transactions in the accounts of a North Dakota resident. The subject transactions were not suitable to the investment objectives and risk tolerance of the investor. This activity was conducted in violation of Section 73-02-09-02(3) N.D.A.C.
4. Several of the transactions described in paragraph 3, above, were conducted without the authorization of the investor, and without any written authorization to exercise discretion in the account. This activity was conducted in violation of Sections 73-02-09-02(4-5) N.D.A.C. and Section 10-04-15 N.D.C.C.
5. With regard to at least seven of the transactions set forth above, trade confirmation statements were improperly marked "unsolicited".
6. Respondent did not properly supervise its agent with regard to the activity described above. This failure to supervise was in violation of Section 10-04-11(1)(m) N.D.C.C.
7. Pursuant to Section 10-04-16 N.D.C.C., 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 illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an

amount not to exceed \$10,000 for each violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to Section 10-04-16(1) N.D.C.C.

8. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

9. Respondent has repaid \$26,948.91 to its customer based on the customer's complaint and the facts set forth above.

10. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order.

11. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall not engage in any violations of the North Dakota Securities Act, or administrative rules promulgated under the Securities Act, or engage in any fraudulent conduct in North Dakota in violation of Section 10-04-15 N.D.C.C.

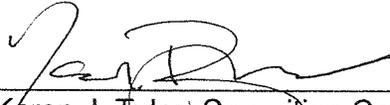
2. Respondent shall properly supervise the activities of its agents with regard to all securities related activity in North Dakota.

3. Respondent shall pay a civil penalty of \$20,000, made payable to the North Dakota Securities Department, pursuant to NDCC §10-04-16(1).

4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 17th day of October, 2004.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

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)
 Respondent.)

CONSENT TO ENTRY
OF ORDER

.....
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the undersigned person, on behalf of the Respondent, states that:

1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The foregoing Consent Order constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
4. The Respondent neither admits nor denies the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and it is specifically precluded from denying those determinations in any forum, public or otherwise.
5. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 11th day of October, 2004.

Piper Jaffray & Co.
800 Nicollet Mall, J09N02
Minneapolis, MN 55402-7020

Mark S. Reed

By: MARK S. REED

Its: Deputy General Counsel

Subscribed and Sworn before me this 11th day of October, 2004.

Amber D. Andrews

Notary Public
State: Minnesota County: Dennetex
My Commission Expires:
1-31-2005

(Notary Seal)

