

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Piper Jaffray & Co.,)
and Terry Millner,)
)
Respondents.)

CONSENT ORDER

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The North Dakota Securities Commissioner has advised the Respondents, Piper Jaffray & Co., and Terry Millner, 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., (CRD # 665) is a securities dealer headquartered in Minneapolis, Minnesota. Piper Jaffray & Co. (Piper) is, and for all times relevant to this matter, has been registered as a dealer with the Securities Department.
2. Respondent, Terry Millner, (CRD # 4406313) is a securities agent employed by and associated with Piper. Millner is the branch manager of the Bismarck, North Dakota branch office of Piper. Millner is, and for all times relevant to this matter, has been registered as a securities agent with the Securities Department.
3. From July of 1999 to November of 2002, Respondents engaged in numerous securities transactions in the account of a North Dakota resident client, who filed a complaint with the Securities Department.
4. Respondents conducted trading in the customer account without the authorization of the customer. Respondents were not authorized to exercise discretion in that client account. This activity was conducted in violation of Sections 73-02-09-02(4-5) and 73-02-09-03(6) N.D.A.C. and Section 10-04-15 N.D.C.C.
5. Respondents improperly marked trade confirmation statements as "unsolicited". This activity was conducted in violation of Section 10-04-15 N.D.C.C.
6. Respondents conducted transactions that were unsuitable based on the investment objectives, risk temperament and investment time horizon of the investor. This activity was conducted in violation of Sections 73-02-09-02(3) and 73-02-09-03(6) N.D.A.C. and Section 10-04-15 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 Respondents pursuant to Section 10-04-16(1) N.D.C.C.

8. Respondents acknowledge their rights to a hearing on this matter and waive these rights to a hearing and to present arguments to the Commissioner. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.

9. Respondents have resolved this matter with the North Dakota resident complainant through a separate settlement.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondents shall not conduct securities transactions in North Dakota unless the transactions are authorized by the client or the client has provided the Respondents with written authorization to exercise discretion in that client's account.

2. Respondents shall not mark any trade confirmations as "unsolicited" unless the client initiated the transaction and no agent of the Respondents solicited the transaction.

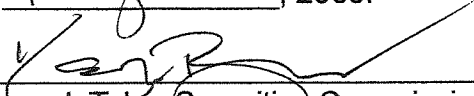
3. Respondents shall not engage in unsuitable transactions in the account of a North Dakota resident client.

4. Respondents shall pay a civil penalty of \$30,000, made payable to the North Dakota Securities Department, pursuant to Section 10-04-16(1) N.D.C.C.

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

Signed and Sealed this 5th day of May, 2005.





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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**CONSENT TO ENTRY
OF ORDER**

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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, each of the undersigned persons, on behalf of the Respondents, state that:

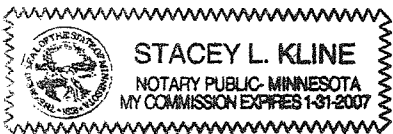
1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The foregoing Consent Order constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
4. The Respondents admit the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and they are specifically precluded from denying those determinations in any forum, public or otherwise.
5. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly for the purpose of resolving the issues described in the foregoing Consent Order.
6. It is not intended that the Consent Order be used in any proceeding brought by a customer of the Respondent in any matter not arising from the facts described in the Consent Order. This provision should not be understood to preclude the Consent Order from being admitted in any proceeding before the North Dakota Securities Department, or any state or federal securities regulator, any foreign securities regulator, or any self-regulatory organization of which the Respondent is a member.

Dated this 29th day of April, 2005.

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

James L. Chosy
By: [Signature]
Its: General Counsel

Subscribed and Sworn before me this 29th day of April, 2005.



(Notary Seal)

[Signature]
Notary Public
State: _____ County: _____
My Commission Expires: _____

Dated this _____ day of _____, 2005.

Terry Millner
Piper Jaffray & Co.
1400 W. Century Avenue
Bismarck, ND 58503

Subscribed and Sworn before me this _____ day of _____, 2005.

(Notary Seal)

Notary Public
State: _____ County: _____
My Commission Expires: _____

Dated this _____ day of _____, 2005.

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

By: _____

Its: _____

Subscribed and Sworn before me this _____ day of _____, 2005.

(Notary Seal)

Notary Public
State: _____ County: _____
My Commission Expires: _____

Dated this 29 day of April, 2005.

TERRY MILLNER
Terry Millner
Piper Jaffray & Co.
1400 W. Century Avenue
Bismarck, ND 58503

Subscribed and Sworn before me this 29 day of April, 2005.

(Notary Seal)

Tracy J Yanke
Notary Public
State: ND County: Burleigh
My Commission Expires: 09/19/2008

