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July 13, 2005

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street N.W.
Washington, DC 20549-0609

Re: File No. SR-NASD-2003-168

Dear Secretary Katz:

On behalf of Piper Jaffray & Co. (PJC, or the Company), we respectfully submit the following comments with respect to File Number SR-NASD-2003-168 regarding proposed changes to the NASD "Broker Check" Program.

PJC is a diversified financial services company whose business activities include securities brokerage, investment banking, asset management and other financial services throughout the United States and internationally. The Company has approximately 850 financial advisors in 100 offices located primary in the Upper Midwest.

Although we general support public disclosure efforts to keep investors well informed, we oppose the current NASD proposal referenced above. In reviewing the proposal as written we believe the proposal fails to recognize that there are important interests to be balanced when public disclosure is made of minor incidents affecting a broker that occurred in the distant past. Since the proposed disclosure will focus on unproven allegations, it will unfairly reflect on the character and integrity of affected brokers, without said brokers having had an opportunity to adjudicate or otherwise formally defend the allegations. At the same time, it will seriously inhibit settlement of minor claims which are frequently entered into to accommodate clients, or to avoid litigation costs, which is often borne by both parties.

Specifically, we have the following objections:

1. Disclosure of all complaints over a ten-year period gives a distorted picture of a broker's character and client relations.

Not all customer complaints are well founded. In fact, statistics maintained by the NASD demonstrate that approximately 50% of all claims pursued to arbitration result in a decision in favor of the broker (see "Results of Customer Claimant Arbitration Cases, 2000-2004" on the NASD Dispute Resolution web-site).

Similarly, not all settlements reflect an acknowledgement of improper action. Frequently, settlements represent a cost/benefit decision to avoid the cost of

litigation. In some instances, they represent a business decision made by a firm to maintain client goodwill. This is particularly true for claims settled for less than \$10,000. To expand the scope of exposure to reach back over a ten year period with respect to these claims will present a false picture of the broker's pattern of activity.

2. The NASD proposal will have an adverse impact on settlements.

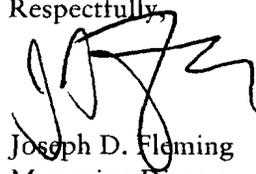
As noted above, settlement of a customer claim is frequently a cost/benefit consideration, as well as a "good faith" gesture to maintain a client relationship. Those settlements many times represent a benefit to the clients who enter into them - - otherwise they would not be entering into them. If brokers are aware that such settlements in the future will form a continued part of the public disclosure in their file, they will quite properly insist on litigating any customer claim that is not well founded. We do not believe that outcome would serve the interest of investors nor would it advance any public interest.

3. The "brief comment" mechanism in the NASD proposal does not represent a realistic safeguard.

Recognizing the strong likelihood of unfairness in disclosure of trivial or abandoned claims, the NASD proposes to allow for a "brief comment" from a broker in response to proposed disclosure. It is evident from the discussion in the NASD proposal that the "brief comment" process will be administered by a skeptical NASD staff. Since the NASD staff has the right to reject any "brief comment," the process will not result in the balanced presentation of information which fundamental fairness would require.

We do not believe the NASD has made any persuasive argument for implementation of this proposal, or demonstrated any pressing need for changing the disclosure pattern that has served the investing public for many years. For these reasons, we ask that the Commission reject the proposal.

Respectfully,



Joseph D. Fleming
Managing Director and
Chief Compliance Officer