

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Richard and Barbara Kozek :

Claimants :

vs. :

Ronald J. Bultman :

Respondent :

PUBLIC

**CASE #91-03278
AWARD**

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 21, 1991, Claimants, Richard and Barbara Kozek, who appeared Pro Se, alleged that in September 1988 Respondent Ronald J. Bultman, a registered representative with Dean Witter Reynolds, Inc. solicited them to purchase units of the High Income Advantage Trust II by misrepresenting its financial value and risk of loss. Claimants further alleged that Respondent continually withheld relevant information about the investments' value and never informed Claimants when its value began to decline. Claimants contended that during this time Respondent continued to solicit and recommend other investments for Claimants while their High Income Advantage Trust II investment value decreased, at which time Claimants informed Respondent to sell their investment and cut their losses. Claimants further contended that on August 8, 1990 Respondent finally advised them that the investments value was decreasing and recommended they reinvest in another security with what principal was left. Claimants asserted that on this same date they again instructed Respondent to get them out of this investment. Claimants further asserted that due to Respondent's unethical behavior and mishandling of their account they incurred losses.

Respondent, Ronald J. Bultman by and through his counsel Wendy R. Robinson, Esq., maintained that in September 1988 he contacted Claimants, Richard and Barbara Kozek and ascertained their investment goals and financial history prior to recommending the purchase of the units of the High Income Advantage Trust mutual fund. Respondent further maintained that he provided Claimants with all relevant information about the investment including a prospectus, in addition to fully explaining and discussing the risks involved with the purchase. Respondent contended that

Claimants understood the risks they were accepting with their investment decision and made a specific, informed decision to invest \$5,000.00 into the High Income mutual funds. Respondent further contended that he would periodically contact Claimants, pursuant to their request, to discuss other possible investments, at which time he would also discuss with them the gradually declining value of their High Income investment, as indicated on the monthly account statements they received. Respondent asserted that the recommendation was diligent and suitable based upon the prior discussions and that he acted appropriately with Claimants' best interest in mind. Respondent further asserted that Claimants' complaint should be time-barred under Section 10(b) and Rule 10b-5 of the Securities Exchange Act because the transaction of which Claimants complained, occurred prior to the applicable time limitation, thus the claim should be denied.

RELIEF REQUESTED

Claimants, Richard & Barbara Kozek requested \$1,982.99 in actual damages.

Respondent, Ronald J. Bultman requested the claim be dismissed in its entirety and be awarded his reasonable costs.

AWARD


Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Paul L. Parshall, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on September 11, 1991 and by the Respondent on December 9, 1991.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimants, Richard and Barbara Kozek against Respondent, Ronald J. Bultman are dismissed.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants, Richard and Barbara Kozek shall be retained by the NASD, Inc.

AFFIRMATION

I, PAUL L. PARSHALL, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATE OF DECISION: May 27, 1992