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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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Securities Dealers, Inc.

In the Matter of the Arbitration Between

Name of Claimant(s)

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William E. Ohland

95-04535

Name of Respondent(s)

B.C. Ziegler & Company

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 26, 1995, filed with the Claimant William E. Ohland, who appeared Pro Se, alleged that on or about April 5, 1990, May 10, 1990, William E. Ohland 1990 and August 27, 1990 Respondent B.C. Ziegler & Company, through its registered representative, August 27, 1990 Richard Johnston, recommended he purchase Winthrop Hospital, Inc. as a sound, solid purchase for his retirement account, on an oral basis without providing a prospectus or written documentation as to this account, or an investment's financial status. The Claimant further alleged that the broker and compliance officer informed him that they had no financial information as to the purchase of the bonds, but that Ziegler that they had would not be selling them under any circumstances unless they were sound financially and that they would not be for sale unless they were high quality bonds. Claimant William E. Ohland contended that this was a completely false representation, because of the previous good will and confidence nurtured and cultivated by his broker, Richard Johnston. The Claimant further contended that had the true nature of this investment been explained to him, he would never have invested in it, and further that the bonds should not have been offered for sale without a full and honest disclosure as to the high risks involved with the purchase of Winthrop Hospital bonds. The Claimant asserted that the Respondent did not give any advance warning of the bankruptcy filing of the hospital until the interest payment default on October 1, 1991, with no opportunity for him to mitigate his losses. The Claimant alleged that due to the wrongdoing of the Respondent, he has suffered damages for which the Respondent should be held liable.

Respondent B.C. Ziegler & Company, through its representative and in-house counsel, Charles O'Meara, Esq., maintained that the bonds were suitable investments at the time they were sold to the Claimant, that it did not represent to Claimant that the bonds were rated by any rating agency, and that neither the financial condition of the hospital nor the status of the bonds were misrepresented to Claimant. The Respondent further maintained that had Claimant requested information regarding the bonds prior to any of his purchases, it would have furnished the information in the ordinary course of business. The Respondent contended that Claimant filed a previous action in the District Court in the State of Michigan, wherein the claims were dismissed. The Respondent further contended that in accordance with the foregoing, the claims against them should be dismissed.

100-50-16

RELIEF REQUESTED

Claimant William E. Ohland requested \$7,598.79 in actual damages, plus interest lost in the amount of \$3,233.25.

Respondent B.C. Ziegler & Company requested that the claims of the Claimant be dismissed.

ISSUES CONSIDERED AND DECIDED

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Marvin I. Horowitz, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 19, 1995 and by the Respondent on November 8, 1995.

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:

Association of Securities Dealers, Inc. (NASD) who appeared Pro Se, alleged that on or about April 5, 1995, Respondent B.C. Ziegler & Company, through its registered representative, purchased Winthrop Hospital, Inc. as The Arbitrator, after having reviewed and considered all documentary evidence filed in this matter, determined that this matter is not eligible for arbitration under the doctrine of Res Judicata. Therefore, the claims of the Claimant William E. Ohland against Respondent B.C. Ziegler & Company are dismissed in their entirety.

2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

160-1111

AFFIRMATION

STATE OF MICHIGAN

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SS:

COUNTY OF OAKLAND

I, Marvin T. Horowitz 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.

Marvin T. Horowitz

Signature of Arbitrator

DATE OF DECISION: May 24, 1996