

Notice To Members

National Association of Securities Dealers, Inc.

March 1992

Number 92-14

Suggested Routing:*

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input checked="" type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input checked="" type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input checked="" type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input checked="" type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input checked="" type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: Good Friday — Trade Date-Settlement Date Schedule

Securities exchanges and The Nasdaq Stock MarketSM will be closed on Good Friday, April 17, 1992. "Regular way" transactions made on the business days immediately preceding that day will be subject to the settlement date schedule listed below.

Trade Date	Settlement Date	Reg. T Date*
April 9	16	21
10	20	22
13	21	23
14	22	24
15	23	27
16	24	28
17	Markets Closed	—
20	27	29

Brokers, dealers, and municipal securities dealers should use these settlement dates for purposes of clearing and settling transactions pursuant to the NASD Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the NASD Uniform Practice Department at (212) 858-4341.

*Pursuant to Sections 220.8(b)(1) and (4) of Regulation T of the Federal Reserve Board, a broker/dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 220.8(d)(1), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Reg. T Date."

Notice To Members

National Association of Securities Dealers, Inc.

March 1992

Number 92-15

Suggested Routing:*

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|--|--|--|---|
| <input type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input checked="" type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input checked="" type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: Nasdaq National Market Additions, Changes, and Deletions as of February 24, 1992

As of February 24, 1992, the following 58 issues joined the Nasdaq National Market, bringing the total number of issues to 2,725:

Symbol	Company	Entry Date	SOES Execution Level
AUGI	American United Global, Inc.	1/28/92	1000
CALL	Fleet Call, Inc. (CI A)	1/28/92	1000
PCIS	PCI Services, Inc.	1/28/92	1000
VARS	Varsity Spirit Corporation	1/28/92	1000
AVCR	AdvaCare, Inc.	1/29/92	200
MATX	Matrix Pharmaceutical, Inc .	1/29/92	1000
ONCR	Oncor, Inc.	1/29/92	1000
PDLI	Protein Design Labs, Inc.	1/29/92	1000
CVAS	Corvas International, Inc.	1/30/92	1000
INFTA	Infinity Broadcasting Corporation (CI A)	1/30/92	1000
NOEL	Noel Group, Inc.	1/30/92	1000
ZNXS	Zynaxis, Inc.	1/30/92	1000
SCTT	Scotts Company (The)(CI A)	1/31/92	1000
AXXXW	Artel Communications Corporation (Wts)	2/3/92	500
SBLIW	Staff Builders, Inc. (Wts)	2/3/92	500
EVER	Evergreen Resources, Inc.	2/4/92	1000
MSYS	Medical Technology Systems, Inc.	2/4/92	500
MSYSW	Medical Technology Systems, Inc. (5/31/92 Wts)	2/4/92	200
MSYSZ	Medical Technology Systems, Inc. (7/10/96 Wts)	2/4/92	200
PANPZ	Pan Petroleum Master Limited Partnership	2/4/92	1000
UNVX	Univax Biologics, Inc.	2/4/92	1000
ECSC	EcoScience Corporation	2/5/92	1000
MDIX	Medical Diagnostics, Inc.	2/5/92	200

Notice to Members 92-15

Symbol	Company	Entry Date	SOES Execution Level
SAYT	Sayett Group, Inc.	2/6/92	500
SAYTW	Sayett Group, Inc. (Wts)	2/6/92	500
NTRSZ	Northern Trust Corporation (Dep. Shrs.)	2/6/92	1000
DIPCD	Digital Products Corporation	2/7/92	1000
DIPCW	Digital Products Corporation (Cl A Wts)	2/7/92	1000
DIPCZ	Digital Products Corporation (Cl B Wts)	2/7/92	1000
DURA	Dura Pharmaceuticals, Inc.	2/7/92	1000
HEALW	HealthWatch, Inc. (Cl A Wts)	2/7/92	500
HEALZ	HealthWatch, Inc. (Cl B Wts)	2/7/92	500
CELI	Cel-Sci Corporation	2/10/92	1000
CELIW	Cel-Sci Corporation (Wts)	2/10/92	500
DSSI	Defense Software & Systems, Inc.	2/11/92	200
FFWM	First Financial Corporation of Western Maryland	2/11/92	500
PHIP	Providential Corporation	2/11/92	1000
FRAM	Frame Technology Corporation	2/12/92	500
IJIN	International Jensen Incorporated	2/12/92	1000
LODG	ShoLodge, Inc.	2/12/92	1000
BTRY	Buttrey Food and Drug Stores Company	2/13/92	1000
MBRK	Meadowbrook Rehabilitation Group, Inc. (Cl A)	2/13/92	1000
ROPR	Roper Industries, Inc.	2/13/92	1000
TNTF	TNT Freightways Corporation	2/13/92	1000
UPCPO	Union Planters Corporation (Ser. E Pfd)	2/13/92	200
ADHC	Advantage Health Corporation	2/14/92	1000
AGRI	AgriDyne Technologies Inc.	2/14/92	1000
CYTDZ	CytoRad Incorporated (Uts)	2/14/92	1000
FRTHZ	Fourth Financial Corporation (Dep. Shrs.)	2/14/92	500
AMSE	American Mobile Systems Incorporated	2/18/92	1000
ATPH	Armstrong Pharmaceuticals, Inc.	2/18/92	1000
CMTL	Comtech Telecommunications Corp.	2/18/92	1000
NAWE	Nahama & Weagant Energy Company	2/18/92	1000
ABII	American Business Information, Inc.	2/19/92	1000
CMTR	ChemTrak Incorporated	2/19/92	1000
MEMXY	Memorex Telex N.V.	2/19/92	500
CBCI	Calumet Bancorp, Inc.	2/20/92	1000
ACCS	Access Health Marketing, Inc.	2/21/92	1000

Nasdaq National Market Symbol and/or Name Changes

The following changes to the list of Nasdaq National Market securities occurred since January 27, 1992:

New/Old Symbol	New/Old Security	Date of Change
COMMA/COMMP	Cellular Communications, Inc. (Cl A)/Cellular Communications, Inc. (Pfd)	1/29/92
CYCL/CYCL	Centennial Cellular Corp. (Cl A)/Century Cellular Corp. (Cl A)	2/10/92
STBF/SSIF	Southeastern Thrift and Bank Fund, Inc. (The)/Southeastern Thrift and Bank Fund, Inc. (The)	2/10/92
SGTI/PENV	Surgical Technologies, Inc./Pinnacle Environmental, Inc.	2/19/92

New/Old Symbol	New/Old Security	Date of Change
KCSE/KCSG	KCS Energy, Inc./KCG Group, Inc.	2/20/92
FORB/FORF	Fortune Bancorp/Fortune Bancorp	2/21/92

Nasdaq National Market Deletions

Symbol	Security	Date
RGCY	RELM Communications, Inc.	1/27/92
ARWS	Air Wis Services, Inc.	1/28/92
ECGI	Environmental Control Group, Inc.	1/30/92
AFMBZ	America First Federally Guaranteed Mortgage 2 LP	1/31/92
EDAT	Electronic Data Technologies	2/3/92
VCOR	Vencor, Incorporated	2/4/92
SULCP	Sulcus Computer Corporation (Pfd)	2/6/92
SULCZ	Sulcus Computer Corporation (Cl B Wts)	2/6/92
BPCQE	Bonneville Pacific Corporation	2/7/92
BFCP	Broadway Financial Corporation	2/7/92
CCEM	CompuChem Corporation	2/12/92
NCNG	North Carolina Natural Gas Corporation	2/12/92
MTRMQ	Moniterm Corporation	2/13/92
VLMR	Value Merchants, Inc.	2/13/92
SANF	Sanford Corporation	2/18/92
BMEEF	Belmoral Mines Ltd.	2/20/92

Questions regarding this Notice should be directed to Kit Milholland, Senior Analyst, Market Listing Qualifications, at (202) 728-8281. Questions pertaining to trade reporting rules should be directed to Bernard Thompson, Assistant Director, NASD Market Surveillance, at (301) 590-6436.

Disciplinary Actions

National Association of Securities Dealers, Inc.

March 1992

Disciplinary Actions Reported for March

The NASD is taking disciplinary actions against the following firms and individuals for violations of the NASD Rules of Fair Practice; securities laws, rules, and regulations; and the rules of the Municipal Securities Rulemaking Board. Unless otherwise indicated, suspensions will begin with the opening of business on Monday, March 16, 1992. The information relating to matters contained in this Notice is current as of the fifth of this month. Information received subsequent to the fifth is not reflected in this publication.

FIRMS EXPELLED, INDIVIDUALS SANCTIONED

Amerdream Securities Corporation (Kahului, Hawaii) and **Frank John Sarcone (Registered Principal, Kahului, Hawaii)** were fined \$80,000, jointly and severally. In addition, the firm was expelled from membership in the NASD, and Sarcone was barred from association with any member of the NASD in any capacity. The sanctions were based on findings that the firm, acting through Sarcone, failed to file its Reports on Finances and Operations of Government Securities (FOGS) Parts I and II and failed to respond to NASD requests for information.

Sacks Investment Company, Inc. (Novato, California) and **Richard Lawrence Sacks (Registered Principal, Novato, California)** were fined \$100,000, jointly and severally. In addition, the firm was expelled from membership in the NASD. Richard Sacks was barred from association with any member of the NASD in any capacity, with the right to apply to become associated with a member as a registered representative after a period of five years. The sanctions were based on findings that the firm, acting through Sacks, engaged in the sale of municipal securities without having first registered with the Municipal Securities Rulemaking Board and without paying the required fees. Furthermore, the firm, acting through Sacks, failed to register a municipal securities principal and a financial and operations principal.

In contravention of its voluntary restriction agreement with the NASD, the respondents engaged in the purchase and sale of securities on a principal basis without having obtained written approval from the NASD. Also, in contravention of the NASD's Mark-Up Policy, the firm, acting

through Sacks, sold securities from its inventory to customers at unfair prices and failed to disclose the markups on customers' transactions. The markups on these transactions ranged from 5 to 70.5 percent above the firm's contemporaneous costs.

V.P. Securities, Inc. (Island Heights, New Jersey) and **Nicholas Ferrara (Registered Representative, Ronkonkoma, New York)** submitted an Offer of Settlement pursuant to which the firm was expelled from membership in the NASD. Ferrara was fined \$15,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that they failed to respond to NASD requests for information concerning a change in ownership and control of the firm. The findings also stated that the firm, acting through Ferrara, failed to establish and maintain written supervisory procedures.

In addition, the NASD determined that Ferrara actively engaged in the management of the firm's securities business without being registered with the NASD as a general securities principal. Furthermore, the firm, acting through Ferrara, failed to hire at least two qualified general securities principals, according to the findings.

FIRMS AND INDIVIDUALS FINED

Investment Advisors, Inc. (Louisville, Kentucky) and **James Allen Brady (Registered Principal, Louisville, Kentucky)** were fined \$10,000, jointly and severally. The sanction was based on findings that the firm, acting through Brady, conducted a securities business while failing to maintain its required minimum net capital.

Schonfeld Securities, Inc. (Great Neck, New York) and **Robert Lipsky (Registered Principal, Bellmore, New York)** submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$10,000, jointly and severally. Without admitting or denying the allegations, the respondents consented to the described sanction and to the entry of findings that the firm, acting through Lipsky, failed to make the required deposit into its Special Reserve Bank Account.

FIRMS FINED

Liquidity Fund Investment Corporation (Emeryville, California) submitted an Offer of Settlement pursuant to which it was fined \$125,000. Without admitting or denying the allegations, the firm consented to the described sanction and to the entry of findings that it engaged in the purchase and sale of direct participation program interests in the secondary market at unfair prices. In connection with such activity, the findings stated that Liquidity Fund engaged in securities transactions by means of material misrepresentations and omissions of fact. Specifically, the NASD determined that the firm represented to customers that the transactions involved no markups or markdowns and failed to disclose the markups and markdowns on the transactions.

INDIVIDUALS BARRED OR SUSPENDED

William K. Callahan (Registered Representative, Elmira, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Callahan consented to the described sanctions and to the entry of findings that, while acting as a branch supervisor, he recorded 35 fictitious sales to customers that totaled \$522,464. The findings stated that Callahan engaged in this activity for the purpose of misleading his member firm regarding the firm's profitability.

Chris Thomas Christensen (Registered Representative, Utica, Michigan) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was suspended from association with any member of the NASD in any capacity for one year. Without admitting or denying the allegations, Christensen consented to the described sanction and to the entry of findings that he executed pur-

chase transactions in the accounts of six public customers without the customers' knowledge or consent.

Robert W. Cole, Jr. (Registered Representative, Lincoln, Rhode Island) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Cole consented to the described sanctions and to the entry of findings that he obtained five blank checks from his member firm's commission account. The NASD found that Cole forged the name of the payee and the amount and attempted to cash one \$2,973.27 check for his own use and benefit.

Alfred W. Collier (Registered Representative, Seymour, Indiana) was fined \$5,000, barred from association with any member of the NASD in any capacity, and required to pay \$1,000 in restitution to a customer. The sanctions were based on findings that Collier obtained from a public customer \$1,000 intended for the repayment of a loan against his insurance policy. Contrary to the customer's instructions and without his knowledge or consent, Collier failed to deposit the funds and, instead, converted the monies to his own use.

Robert A. Costello (Registered Representative, Germantown, Maryland) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Costello failed to respond to NASD requests for information concerning his termination from a member firm.

Garry J. Daniels (Registered Representative, Williamstown, Vermont) submitted an Offer of Settlement pursuant to which he was fined \$200,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Daniels consented to the described sanctions and to the entry of findings that he withheld and misappropriated to his own use and benefit customer funds totaling \$135,469.50 intended for investment in mutual funds. In addition, Daniels failed to respond to NASD requests for information.

Robert W. Delorey (Registered Representative, Waltham, Massachusetts) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Delorey failed to respond to

NASD requests for information concerning his termination from a member firm.

Marcelo H. DeRada (Registered Representative, Wellesley, Massachusetts) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that, without the knowledge or consent of a public customer, DeRada initiated a \$6,000 loan against the customer's insurance policy and misappropriated the funds to his own use and benefit. In addition, DeRada failed to respond to NASD requests for information.

Ayman Ahmed Difrawi (Registered Representative, Groveland, Florida) was fined \$10,000, suspended from association with any member of the NASD in any capacity for five days, and ordered to pay \$1,977.62 in restitution to his member firm. The sanctions were based on findings that Difrawi effected unauthorized purchase and sale transactions in the accounts of public customers without the knowledge or consent of the customers.

Michael B. Doyle (Registered Representative, Medway, Massachusetts) submitted an Offer of Settlement pursuant to which he was barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Doyle consented to the described sanction and to the entry of findings that, without the knowledge or consent of a public customer or his member firm, he forged a loan application and disbursement check and misappropriated funds totaling \$600 to his own use and benefit. The NASD also found that Doyle withheld and misappropriated to his own use and benefit customer funds totaling \$4,692 intended for the purchase of insurance policies.

Stephen V. Duniec (Registered Representative, Jamesville, New York) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Duniec consented to the described sanctions and to the entry of findings that he forged the names of 14 policyholders on documents that allowed him to withdraw funds totaling \$21,242.98 from the customers' policies. The NASD also found that Duniec misappropriated the monies to his own use and benefit without the knowledge or consent of

his member firm or the customers.

John E. Elliott, Jr. (Registered Representative, Metairie, Louisiana) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Elliott consented to the described sanctions and to the entry of findings that he received a \$15,000 check from a public customer for investment purposes. Instead of following the customer's instructions, the NASD found that Elliott deposited the check into his personal bank account and converted the funds to his own use without the knowledge or consent of the customer.

Joe T. Emmons, Jr. (Registered Representative, Mobile, Alabama) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Emmons failed to submit to his member firm \$259 received from public customers as payments on insurance policies. Instead, Emmons converted the funds to his own use without the knowledge or consent of the customers. Emmons also pawned a personal computer belonging to a co-worker without the knowledge or consent of that individual. Furthermore, his member firm advanced Emmons \$1,206.52 to cover the expenses of a regional business conference that he did not attend. Emmons converted the funds to his own use without the knowledge or consent of his member firm. In addition, Emmons failed to respond to NASD requests for information.

Peter M. Fiore (Registered Representative, Clifton Park, New York) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Fiore consented to the described sanctions and to the entry of findings that, without the knowledge or consent of 33 public customers, he forged their signatures on transfer forms. As a result of this activity, the NASD found that Fiore authorized Individual Retirement Account (IRA) transfers from a bank money-market fund to a closed-end investment company.

Donald A. Fredrick (Registered Representative, North Providence, Rhode Island) submitted an Offer of Settlement pursuant to which he was fined \$75,000 and barred from association with any member of the NASD in any capacity. Without

admitting or denying the allegations, Fredrick consented to the described sanctions and to the entry of findings that he received from public customers six checks totaling \$43,814.74 intended for investment in mutual funds. The NASD found that Fredrick withheld and misappropriated the funds to his own use and benefit without the knowledge or consent of the customers or his member firm. In addition, Fredrick failed to respond to NASD requests for information.

Russell R. Haden (Registered Principal, Sandy, Utah) was fined \$25,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Haden failed to pay the full amount of an NASD arbitration award.

Jeffrey Haehle (Registered Principal, Menomonee Falls, Wisconsin) was fined \$10,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Haehle failed to respond to NASD requests for information regarding customer loans.

Dennis R. Hargreaves (Registered Representative, West Chicago, Illinois) was fined \$92,600, barred from association with any member of the NASD in any capacity, and required to pay restitution to customers. The sanctions were based on findings that Hargreaves signed a customer's name on a \$2,335.17 check representing an overpayment of insurance premiums and used the funds for his own benefit. Furthermore, Hargreaves obtained from two public customers two checks totaling \$50,746.70 intended for investment purposes and for the purchase of an insurance product. He deposited only \$43,346.70 of the funds for the purchases requested by the customers and used the remaining \$7,400 for his own benefit. On another occasion, Hargreaves, without a customer's knowledge or consent, signed the customer's name on a \$5,868.03 check representing the proceeds of a withdrawal from an insurance product and used the funds for his own benefit.

In addition, Hargreaves obtained \$7,990.25 representing the proceeds from three unauthorized mutual fund liquidations held by a customer. He used \$912.02 of the funds to pay two different premiums and to make a loan repayment on insurance products owned by the customer and converted the remaining \$7,078.23 to his own use and benefit without the customer's consent. Hargreaves

also failed to respond to NASD requests for information.

Steven T. Jackson (Registered Representative, Columbus, Ohio) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Jackson failed to follow the instructions of a public customer. Specifically, he purchased shares of a common stock for the customer's account without authorization and, thereafter, failed to honor the customer's request to sell the stock and pay the proceeds to her. In addition, Jackson failed to respond to NASD requests for information.

Lawrence Ralph Kelner (Registered Principal, Lakeland, Florida) and **Glenn Bruce Shane (Registered Principal, Palm Harbor, Florida)** were each fined \$7,500 and suspended from association with any member of the NASD in any capacity for five business days. The sanctions were based on findings that Kelner and Shane engaged in private securities transactions with public customers without providing prior written notice to their member firms.

Joseph P. Law (Registered Representative, Hudson, New Hampshire) submitted an Offer of Settlement pursuant to which he was fined \$20,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Law consented to the described sanctions and to the entry of findings that he withheld and misappropriated to his own use and benefit customer funds totaling \$3,689.90 intended for investment in mutual funds.

Phillip Thomas McMillan, Jr. (Registered Representative, Omaha, Nebraska) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, McMillan consented to the described sanction and to the entry of findings that he guaranteed public customers against loss in connection with their purchases of shares of a common stock.

Hernando J. Mejia (Registered Representative, Baltimore, Maryland) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Mejia submitted to his member firm applications for life insurance policies on three fictitious individuals in order to earn commis-

sions. In addition, Mejia engaged in private securities transactions with public customers while failing to provide prior written notification to his member firms.

Jeffrey M. Moran (Registered Representative, Jamestown, New York) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Moran consented to the described sanctions and to the entry of findings that he withheld and misappropriated to his own use and benefit customer funds totaling \$14,075.27 intended for investment purposes. In addition, Moran failed to respond to NASD requests for information.

Cecil G. Murdock (Registered Representative, Birmingham, Alabama) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$30,000, barred from association with any member of the NASD in any capacity, and required to pay \$22,000 in restitution to customers. Without admitting or denying the allegations, Murdock consented to the described sanctions and to the entry of findings that he forged the names of public customers on checks totaling \$22,000. According to the findings, Murdock deposited the monies into his personal bank account and converted the funds to his own use without the knowledge or consent of the customers.

The findings also stated that Murdock exercised discretion in the accounts of public customers without having obtained prior written authorization from the customers and prior written acceptance of the accounts as discretionary by his member firm. In addition, the NASD determined that Murdock executed unauthorized purchase and sale transactions in the account of a public customer and withheld customer confirmations.

Robert Theodore Nelson (Registered Principal, Seattle, Washington) and **Paul Arthur Wilbur (Registered Representative, Everett, Washington)** were barred from association with any member of the NASD in any capacity. In addition, Nelson was fined \$83,000. The sanctions were imposed by the NASD's Board of Governors following an appeal of a decision by the District Business Conduct Committee for District 3.

The sanctions were based on findings that Wilbur and Nelson engaged in fraudulent conduct in connection with their solicitation and sales of

common stock to public customers. In addition, Wilbur made material misrepresentations and omissions of material facts concerning such sales. He represented to customers that there was no risk involved, that their funds would be deposited in an escrow account, and that they were guaranteed profits. Moreover, a former member firm, acting through Wilbur and Nelson, engaged in the sale to public investors of common stocks for which no proper registration was filed with the SEC or for which no exemption from registration existed.

Wilbur and Nelson also engaged in private securities transactions without providing prior written notice to their member firm. Furthermore, Nelson was delegated supervisory responsibility for the activities in his firm's branch office and failed to discharge those responsibilities properly and adequately.

Wilbur and Nelson have appealed this case to the SEC and the sanctions, other than their bars, are not in effect.

Patrick W. O'Malley, Jr. (Registered Representative, Little Rock, Arkansas) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and suspended from association with any member of the NASD in any capacity for one week. Without admitting or denying the allegations, O'Malley consented to the described sanctions and to the entry of findings that he forged the signatures of public customers on mutual fund disclosure forms in an attempt to purchase shares in a company.

Thomas W. Patterson (Registered Representative, Buffalo, New York) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that, without the knowledge or consent of a public customer, Patterson withheld and misappropriated to his own use and benefit \$2,000 intended for investment in an IRA. In addition, Patterson failed to respond to NASD requests for information.

Michael A. Previte (Registered Representative, Niagara Falls, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Previte consented to the described sanctions and to the entry of findings that he misused customer funds totaling \$3,000 intended for

the purchase of an insurance policy.

Edwin Anthony Ramos (Registered Representative, New York, New York) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Ramos received from public customers \$669.97 for insurance premiums and failed to deposit the funds with his member firm. Ramos also failed to respond to NASD requests for information.

Van Ridgeway (Registered Representative, Buffalo, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Ridgeway consented to the described sanctions and to the entry of findings that he withheld and misappropriated to his own use and benefit customer funds totaling \$3,114.86 intended for insurance premium payments.

Talmadge Roberts (Registered Representative, Washington, D.C.) was fined \$5,000, suspended from association with any member of the NASD in any capacity for one year, and required to requalify by examination. The sanctions were based on findings that Roberts made unauthorized use of his member firm's stationery in which he falsely stated in a letter to a customer that an escrow account had been established.

Woodrow Sanders, Jr. (Registered Representative, East Hartford, Connecticut) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Sanders failed to respond to NASD requests for information concerning his termination from a member firm.

Floyd J. Sharpe, Jr. (Registered Representative, Salt Point, New York) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Sharpe failed to respond to NASD requests for information concerning his termination from a member firm.

Kevin Michael Short (Registered Principal, Pacific Palisades, California) was fined \$10,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Short failed to respond to NASD requests for information concerning certain financial records of his member firm.

Robert A. Singagliese (Registered Representative, South River, New Jersey) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$30,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Singagliese consented to the described sanctions and to the entry of findings that he misappropriated customer funds totaling \$4,000 and forged customer names to 20 documents without the knowledge of the customers.

Kenneth Steven Soule (Registered Representative, East Northport, New York) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Soule failed to respond to NASD requests for information concerning customer complaints.

Paul J. Stock (Registered Representative, Roscoe, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Stock consented to the described sanctions and to the entry of findings that he withheld and misappropriated to his own use and benefit customer funds totaling \$13,994.82 intended for payment of insurance premiums.

Hugh Randolph Sylvester (Registered Representative, Korb, Germany) was fined \$60,000, barred from association with any member of the NASD in any capacity, and required to pay \$2,417.57 in restitution to a public customer. The sanctions were based on findings that Sylvester received from a public customer a \$2,417.57 check for the purchase of shares in a mutual fund. Instead, Sylvester endorsed the check and converted the funds to his own use and benefit. He also solicited the same public customer to purchase the mutual fund shares without appropriate registration. In addition, Sylvester failed to respond to NASD requests for information.

Michael E. Vogel (Registered Representative, West Hampton, New York) was fined \$50,000, barred from association with any member of the NASD in any capacity, and required to pay \$600 in restitution to a public customer. The sanctions were based on findings that Vogel received from a public customer \$600 for investment purposes and converted the funds to his own use and

benefit. In addition, Vogel failed to respond to NASD requests for information.

Raymond Paul Whipp, III (Registered Representative, Santa Ana, California) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Whipp consented to the described sanctions and to the entry of findings that he sold securities held in a public customer's account without the customer's knowledge or consent. According to the findings, Whipp then effected a change of address for the customer without her knowledge or consent in order to prevent her from receiving any information concerning the sale. The findings also stated that Whipp took delivery of a \$773.06 check issued by his member firm as a result of the aforementioned sale, forged the customer's signature, and converted the funds to his own benefit.

Roger L. Wilkins (Registered Representative, Irvington, New Jersey) was fined \$20,000, barred from association with any member of the NASD in any capacity, and required to pay \$3,892 in restitution to public customers. The sanctions were based on findings that Wilkins received from public customers \$7,784 for the purchase of an insurance policy. Wilkins failed to remit the funds to his member firm and did not return \$3,892 of the funds to the customers. In addition, Wilkins failed to respond to NASD requests for information.

Ralph John Yankee (Registered Representative, Grosse Pointe Park, Michigan) was fined \$30,000, barred from association with any member of the NASD in any capacity, and required to pay \$14,599.75 in restitution to a customer. The sanctions were based on findings that Yankee orally and in writing guaranteed a customer against loss in connection with the customer's purchase of stock.

Pursuant to this guarantee, the customer provided a stock certificate to Yankee and, in exchange, received from Yankee a \$14,599.75 check. Yankee deposited the stock into his personal account and subsequently sold the stock for \$6,745.87. The check was returned to the customer due to insufficient funds, and the proceeds of the stock sale never were provided to the customer. Yankee also failed to respond to NASD requests for information.

Clifford Joseph Zimble (Registered Repre-

sentative, Chicago, Illinois) was fined \$80,000, barred from association with any member of the NASD in any capacity, and required to pay \$10,013.90 in restitution to customers. The sanctions were based on findings that Zimble obtained a \$5,513.90 check made out to a public customer representing the cash surrender value of the customer's insurance policy. Zimble also received a \$4,500 check made out to another customer representing the withdrawal of dividends on the customer's life insurance policy. Without the customers' knowledge or consent, Zimble endorsed the checks and deposited the proceeds into an account that he controlled. In addition, Zimble failed to respond to NASD requests for information.

INDIVIDUALS FINED

Camille Chafic Cotran (Registered Representative, London, England) submitted an Offer of Settlement pursuant to which he was fined \$10,000. Without admitting or denying the allegations, Cotran consented to the described sanction and to the entry of findings that he maintained an inactive personal account with his member firm and entered into numerous securities transactions in the account without the knowledge, authorization, or consent of his member firm.

According to the findings, Cotran also failed to advise his member firm in writing of his intention to assume control of the account and to maintain it as a personal account. In addition, Cotran failed to respond to NASD requests for information.

Calvin Glasco Heisler (Registered Representative, Englewood, Colorado) was fined \$48,581.84 and required to requalify by examination as a general securities representative. The sanctions were based on findings that Heisler engaged in the sale of securities to eight public customers without providing prior written notice to his member firm.

Nizar A. Yaqub (Registered Principal, Oakbrook, Illinois) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000. Without admitting or denying the allegations, Yaqub consented to the described sanction and to the entry of findings that, in contravention of NASD rules that prohibit a registered person from guaranteeing customers against losses, he prepared documents confirming that he would

repurchase a customer's stock portfolio for a guaranteed amount of money.

FIRMS EXPELLED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

B C Financial Corporation, Dunwoody, Georgia

Frontier Investment Services, Incorporated, Wheeling, West Virginia

Lauran Capital Corporation, Miami Lakes, Florida

Meritquest Group, Incorporated, Glendale, California

Royce Park Investments, Incorporated, Englewood, Colorado

O. R. Securities, Incorporated, Chesterfield, Missouri

FIRMS SUSPENDED

The following firms were suspended from membership in the NASD for failure to comply with formal written requests to submit financial information to the NASD. The actions were based on the provisions of Article IV, Section 5 of the NASD Rules of Fair Practice and Article VII, Section 2 of the NASD By-Laws. The date the suspension commenced is listed after each entry. If the firm has complied with the requests for information, the listing also includes the date the suspension concluded.

First Jefferson Securities, Inc., Englewood, Colorado (February 11, 1992)

E.R. Keller & Co., Inc., Princeton, New Jersey (February 11, 1992)

Worthington & Dunn Securities, Dallas, Texas (February 11, 1992)

SUSPENSION LIFTED

The NASD has lifted the suspension from membership on date shown for the following firm since it has complied with formal written requests to submit financial information.

E.A.C. Advisors, Ltd., Marina Del Rey, California (February 3, 1992)

INDIVIDUALS WHOSE REGISTRATIONS WERE REVOKED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

Gary D. Barton, Englewood, Colorado

Bruce H. Chandler, Aurora, Colorado

Howard Mattes Crosby, Spokane, Washington

Thomas I. Davis, Jr., Peterborough, New

Hampshire

Robert K. Fetter, Chamblee, Georgia

Joseph Stephen Fisher, Danville, California

Theodore R. Giergielewicz, Bridgewater, New

Jersey

Lawrence J. Hold, Irvine, California

Harry E. Jameson, San Clemente, California

Arthur J. Lewis, Beaverton, Oregon

Mark P. Malenfant, Scottsdale, Arizona

Jose A. Nodarse, West New York, New Jersey

Stephen M. Perry, Napanoch, New York

Byron D. Petersen, Jr., Ft. Collins, Colorado

Scott Schaeffer, Holiday, Florida

William R. Sheppard, Parker, Colorado

Louis J. Sitaras, Hollywood, Florida

Gail H. Smith, Boca Raton, Florida

Robert C. Valerius, Lakewood, Colorado

Paul Francis Wickswat, Issaquah, Washington

Carl Everett Young, Jr., Glendale, California

Mark Daniel Zura, Denver, Colorado

For Your Information

National Association of Securities Dealers, Inc.

March 1992

New Format Designed for SRR's Letters to Members

Effective March 16, 1992, the Special Registration Review (SRR) department will begin using a new format when generating Advisory Messages to member firms concerning Forms U-4 and U-5 for registration and termination of brokers. Through software enhancements, the old style of free-form text has been replaced by more concise, prestructured sentences that resemble the Disclosure Reporting Page (DRP) format.

The top portion of the Advisory Message will identify the respective individual and inform the member of both the type of filing reviewed and the problems or deficiencies noted (i.e., missing data, omitted disclosure, erroneous combining of multiple events on a single DRP, etc.). Following a blank line, sentences will appear that serve to instruct the member in correction of the noted problem. These sentences will specify what type of filing or document is required to be submitted and

what information is needed. The new style of letters is created based on the review of all reportable events appearing within a broker's Central Registration Depository (CRD) record. In cases where letters must be created for multiple events, each set of messages will be separated by a partial row of asterisks.

The new software offers additional abilities such as on-line review by Firm Access Query System (FAQS) subscribers, duplication of letters by SRR on request, and the automatic 30-day tracking and regeneration of outstanding letters up to a 120-day period. At 120 days, purge notices would be sent to the firm on any outstanding deficient filings. Comments or questions concerning the new letters may be addressed to Daphne Smith, Manager, Special Registration Review, at (301) 590-6842.

NASD Sponsors Full-Day CRD Conference in Maryland May 1

The NASD is sponsoring an all-day CRD Conference Friday, May 1, at the Holiday Inn, Crown Plaza, in Rockville, Maryland. There is limited space, so make your reservations early. The registration fee is \$75 per person and includes seminars, workshops and training sessions, continental breakfast, and lunch. Registrants are responsible for their own transportation, hotel costs, and reser-

ventions. For hotel reservations, call the hotel directly at 1-(800) 492-1331. Please identify yourself as with the National Association of Securities Dealers, Group #8702, to ensure obtaining the group rate of \$85 per person per night. For your registration form and additional information, please call the Member Services Phone Center at (301) 590-6500.

continued

New Versions of Forms U-4 and U-5 Become Only Ones Accepted

The Uniform Application for Securities Industry Registration or Transfer (Form U-4) and the Uniform Termination Notice for Securities Industry Registration (Form U-5) have been changed. The new versions of the forms dated 11/91 became the only versions accepted by the NASD after February 21, 1992. After that date, all earlier versions

of the forms are being sent back to the firm. Copies of the new forms were mailed to member firms in November 1991. If you did not receive copies or need additional copies, please call the NASD Member Services Phone Center at (301) 590-6500 to order a sufficient supply.
