U.S. Securities and Exchange Commission
Washington, D.C. 20549 (202) 942-0020

News Release

FOR IMMEDIATE RELEASE **96-120**

CEASE-AND-DESIST ORDER ENTERED AGAINST MARICOPA COUNTY, ARIZONA

Washington, D.C., October 3, 1996 -- On October 3, 1996, the Commission accepted Maricopa County, Arizona's ("the County") offer to settle the cease-and-desist proceeding instituted on September 30, 1996. Maricopa County is the population center of Arizona and the sixth most populous county in the nation. The County consented to the imposition of an Order, which finds that the County violated the antifraud provisions of the federal securities laws in connection with the July 1993 offer and sale of two series of general obligation bonds. The County also agreed to cease and desist from committing or causing any violation and any future violation of the antifraud provisions.

The County's Official Statements, which were the primary disclosure documents for the offerings, contained financial statements for the County for the year ended June 30, 1992. The Order finds, however, that the County's financial condition at the time of the offerings had materially worsened since June 30, 1992. Specifically, during fiscal year 1992-93, the County developed a deficit in its General Fund and had nearly doubled the deficit in its Medical Center Enterprise Fund. The Official Statements failed to disclose these changes. The Official Statements further failed to disclose that the current liabilities of the Medical Center Enterprise Fund on June 30, 1993, exceeded its current assets by approximately 40% more than on June 30, 1992, and that the County's cash flow position had materially declined since the close of the prior fiscal year.

In addition, the Official Statements for one of the offerings represented that bond proceeds would be used to finance specific County projects. The Order finds that the County in fact planned to, and did, use the bond proceeds to finance its deficit through the end of the 1993-1994 fiscal year. Despite the County's plan to use the proceeds to finance its deficit, it failed to revise or supplement its Official Statement to reflect this plan. Each of the omitted items referenced above would have been important for an investor to consider in deciding whether or not to purchase the County's bonds because they tended to bear upon the County's financial condition at the time the bonds were issued.