

NASD NOTICE TO MEMBERS 94-89

Fed Amends Regulation T

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
- Research
- Syndicate
- Systems
- Trading
- Training

Effective November 25, 1994, the Board of Governors of the Federal Reserve System (Fed) is adopting several amendments to Regulation T (Credit by Brokers and Dealers) regarding the payment periods for securities purchases and transactions in government securities.

Payment Periods

One amendment deletes references to a specific number of days in which customers must meet initial margin calls or make full cash payment for securities purchases; instead the amendment establishes that the "payment period" will be two business days beyond "the standard securities settlement cycle in the United States" as defined in SEC Rule 15c6-1.

Presently, standard settlement is five days after trade date and Reg. T requirements must be met in seven business days. There is no change until June 1, 1995, when SEC Rule 15c6-1 becomes effective. Then, the standard settlement period will shorten to three business days (T+3) and payments required by Reg. T must be made in five business days.

De Minimis Amount

Broker/dealers are required to liquidate customer purchases for which they have not received payment within the required time period. Currently, amounts of \$500 or less are exempt from this requirement. The amendments to Reg. T increase this de minimis amount to \$1,000.

Extension Requests

Under certain circumstances, broker/dealers can obtain an extension of time for a customer who has not made full cash payment or met an initial margin call within the payment period. Reg. T

currently permits a broker/dealer to request these extensions from any self-regulatory organization. As amended, Reg. T requires that these extensions be granted only by a broker/dealer's designated examining authority.

Foreign Securities, Unissued Securities, When-Issued Securities, and Refunded Securities

Among the changes to Reg. T are technical amendments to the language concerning cash accounts. These changes ensure that the time periods in which extensions must be obtained and when the "90-day freeze" may be lifted are consistent for certain transactions in which settlement exceeds the standard settlement period.

Government Securities

The changes to Reg. T include two amendments that affect transactions in government securities. The amendments:

- Exempt from Reg. T those broker/dealers registered with the SEC solely as government securities broker/dealers (Section 15C broker/dealers), and
- Create a new account for customers of general securities broker/dealers in which transactions in government securities may be effected exempt from the other provisions of Reg. T.

For a detailed description of these amendments, members may review NASD *Notice to Members 94-53*, which discusses the proposed changes, and the October 25, 1994, *Federal Register*, which contains the Fed's release adopting these changes. Questions regarding this Notice may be directed to Derick Black, NASD Compliance Department, at (202) 728-8225.

NASD NOTICE TO MEMBERS 94-90

The Nasdaq Stock MarketSM and the securities exchanges will be closed on Monday, December 26, 1994, in observance of Christmas Day, and Monday, January 2, 1995, in observance of New Year's Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

Christmas Day And New Year's Day: Trade Date-Settlement Date Schedule

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Reg. T Date*</u>
Dec. 16	Dec. 23	Dec. 28
19	27	29
20	28	30
21	29	Jan. 3, 1995
22	30	4
23	Jan. 3, 1995	5
26	Markets Closed	—
27	4	6
28	5	9
29	6	10
30	9	11
Jan. 2, 1995	Markets Closed	—
3	10	12

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*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."

Brokers, dealers, and municipal securities dealers should use these settlement dates to clear and settle 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 (203) 375-9609.

NASD NOTICE TO MEMBERS 94-91

Nasdaq National Market Additions, Changes, And Deletions As Of October 27, 1994

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
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As of October 27, 1994, the following 45 issues joined the Nasdaq National Market, bringing the total number of issues to 3,732:

Symbol	Company	Entry Date	SOES Execution Level
MTLG	Metrologic Instruments, Inc.	9/29/94	500
ALRM	Protection One, Inc.	9/29/94	1000
GCHI	Giant Cement Holding, Inc.	9/30/94	200
SUGN	SUGEN, Inc.	10/4/94	200
MAVK	Maverick Tube Corp.	10/5/94	200
STRD	Strategic Distribution, Inc.	10/6/94	200
XPRSA	U.S. Xpress Enterprises, Inc. (CI A)	10/6/94	200
AKSTP	AK Steel Holding Corp. (7% Conv Pfd)	10/7/94	500
CTFC	Central Tractor Farm & Country, Inc.	10/7/94	200
FFHH	FSF Financial Corp.	10/7/94	200
MFFC	Milton Federal Financial Corp.	10/7/94	500
NHWK	Harris Computer Systems Corp.	10/10/94	500
LIFB	Life Bancorp, Inc.	10/11/94	500
NORWY	NORWEB plc (ADR)	10/11/94	500
FFFC	FFVA Financial Corp.	10/12/94	200
FFEC	First Federal Bancshares of Eau Claire, Inc.	10/12/94	200
MSPO	Meridian Sports Inc.	10/12/94	1000
STRO	Strouds, Inc.	10/12/94	200
WBKC	WestBank Corp.	10/12/94	200
CETV	Central European Enterprises Ltd. (CI A)	10/13/94	500
CLNTF	Clarnet Communications Inc. (CI A Non-Voting)	10/13/94	500
IBSF	IBS Financial Corp.	10/13/94	200
PRIA	PRI Automation, Inc.	10/13/94	200
PGDA	Piercing Pagoda, Inc.	10/13/94	200
MLIN	Micro Linear Corp.	10/14/94	200
EFBI	Enterprise Federal Bancorp, Inc.	10/17/94	200
ECII	Equity Corporation Intl.	10/19/94	500
SEVL	7th Level, Inc.	10/20/94	500
EDEL	Edelbrock Corp.	10/20/94	1000
FBTC	F B & T Financial Corp.	10/21/94	200
FPAM	FPA Medical Management, Inc.	10/21/94	500
OREX	Isolyser Company, Inc.	10/21/94	200
OCENY	Oce-van der Grinten N.V.(ADR)	10/21/94	200
ORTL	Ortel Corp.	10/21/94	200
PICM	PICOM Insurance Co.	10/21/94	200
WAVO	WavePhore, Inc.	10/21/94	200
CMSV	Community Savings, F.A.	10/24/94	200
CARV	Carver Federal Savings Bank	10/25/94	200
KNGT	Knight Transportation, Inc.	10/25/94	200
OWOS	Owosso Corp.	10/25/94	200
WCSTF	Wecast Industries Inc.(CI A)	10/25/94	500
AZPN	Aspen Technology, Inc.	10/26/94	200

Symbol	Company	Entry Date	SOES Execution Level
EPIC	EPIC Design Technology, Inc.	10/26/94	200
TSEMF	Tower Semiconductor Ltd.	10/26/94	200
HARC	HarCor Energy Co.	10/27/94	200

Nasdaq National Market Symbol And/Or Name Changes

The following changes to the list of Nasdaq National Market securities occurred since August 30, 1994:

New/Old Symbol	New/Old Security	Date of Change
HCBK/CBNK	Hudson Chartered Bancorp, Inc./Community Bancorp, Inc.	10/3/94
HCBKP/CBNKP	Hudson Chartered Bancorp, Inc.(Pfd B)/ Community Bancorp, Inc.(Pfd B)	10/3/94
TLIOW/TLIWV	Telios Pharmaceuticals, Inc. (Wt 9/22/96)/ Telios Pharmaceuticals, Inc. (Wt 9/22/96 WI)	10/3/94
CLNP/CLNPV	Callon Petroleum Co./Callon Petroleum Co.(WI)	10/7/94
KHLR/KHLR	Kahler Realty Corp./Kahler Corp.	10/13/94
BPIEW/BPIEW	BPI Packaging Technologies, Inc. (Wt A 3/31/95)/ BPI Packaging Technologies, Inc. (Wt A 10/28/94)	10/20/94
BASEW/BASEW	Base Ten Systems, Inc. (Wts A 4/30/95)/ Base Ten Systems, Inc. (Wts A 11/9/94)	10/20/94
CELIW/CELIW	Cel-Sci Corp. (Wts 2/6/96)/Cel-Sci Corp.(Wts 2/6/95)	10/25/94
HOFL/HOFL	Home Financial Corp./Home Savings Bank FSB	10/25/94

Nasdaq National Market Deletions

Symbol	Security	Date
MAMS	Mid Atlantic Medical Services, Inc.	9/29/94
ALCDP	Alcide Corp. (Ser 1 Pfd)	9/30/94
CPSA	Central Pennsylvania Financial Corp.	9/30/94
IRGT	IRG Technologies, Inc.	9/30/94
LPAC	Laser-Pacific Media Corp.	9/30/94
RESB	Reliable Financial Corp.	9/30/94
WNSB	West Newton Savings Bank (MA)	9/30/94
CHTB	Cohasset Savings Bank	10/3/94
HTPIW	Home Theater Products Intl., Inc. (Wts 9/30/94)	10/3/94
LAFCB	Loan America Financial Corp. (Cl B)	10/3/94
MPRO	MicroProbe Corp.	10/3/94
MPROW	MicroProbe Corp. (Wts exp 9/28/98)	10/3/94
NPHIF	Nalcap Holdings, Inc.	10/3/94
NGNA	Neutrogena Corp.	10/3/94
SASZ	Sage Technologies, Inc.	10/3/94
SUBBA	Suburban Bancorp, Inc.	10/3/94
TSIN	TSI Corp.	10/3/94
TSINW	TSI Corp. (Wts)	10/3/94
CNLF	CNL Financial Corp.	10/6/94

Symbol	Security	Date
HMHC	Hallmark Healthcare Corp. (Cl A)	10/6/94
MLOG	Microlog Corp.	10/10/94
MEGFQ	Megafoods Stores, Inc.	10/13/94
ORCO	Optical Radiation Corp.	10/13/94
KRGCF	Kinross Gold Corp.	10/14/94
MMPI	Marquest Medical Products, Inc.	10/14/94
MEGXC	Megacards, Inc.	10/14/94
NAFD	Nature Food Centres, Inc.	10/14/94
XPLX	Xyplex, Inc.	10/14/94
FSVBP	Franklin Bank, NA (Pfd A)	10/17/94
CHSI	Community Health Systems, Inc.	10/19/94
DIAU	Diasonics Ultrasound, Inc.	10/20/94
DOSKR	Doskocil Companies Inc. (Rts 10/19/94)	10/20/94
OSFIF	OSF, Inc.	10/20/94
SGII	SIG International	10/20/94
HOENW	Hoening Group Inc. (Wts A 10/31/94)	10/25/94
SERF	Service Fracturing Company Inc.	10/25/94
PTMLY	Palmer Tube Mills Ltd. (ADR)	10/26/94
ENZNW	Enzon, Inc. (Wts 94)	10/27/94

Questions regarding this Notice should be directed to Mark A. Esposito, Supervisor, Market Listing Qualifications, at (202) 728-8002. Questions pertaining to trade reporting rules should be directed to Bernard Thompson, Assistant Director, NASD Market Surveillance, at (301) 590-6436.

NASD NOTICE TO MEMBERS 94-92

Fixed Income Pricing
System Additions,
Changes, And Deletions
As Of October 31, 1994

As of October 31, 1994, the following bonds were added to the Fixed Income Pricing System (FIPSSM). These bonds are **not** subject to mandatory quotation:

Symbol	Name	Coupon	Maturity
HRVD.GA	Harvard Inds., Inc.	12.000	7/15/04
HLST.GA	Hills Stores Co.	10.250	9/30/03
PRTF.GA	PRT FDG Corp.	11.625	4/15/04
DTC.GC	Domtar Inc.	11.750	3/15/99
SPFN.GA	Southern Pacific Transp. Co.	10.500	7/1/99
STO.GI	Stone Container Corp.	11.500	10/1/04
STO.GJ	Stone Container Corp.	10.750	10/1/02
AMLH.GA	American Life Holding	11.250	11/15/04
AMR.GR	AMR Corp.	8.470	2/20/02
MAWS.GA	Mid-Amer Waste Sys. Inc.	12.000	11/1/01
FOMR.GB	Formica	15.750	10/1/01

As of October 31, 1994, there were no changes to the list of FIPS symbols.

All bonds listed above are subject to trade-reporting requirements. Questions pertaining to trade-reporting rules should be directed to Bernard Thompson, Assistant Director, NASD Market Surveillance, at (301) 590-6436.

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DISCIPLINARY ACTIONS

Disciplinary Actions Reported For November

The NASD[®] has taken 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, November 21, 1994. 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 edition.

Firms Expelled, Individuals Sanctioned

Princeton American Equities Corp., (Phoenix, Arizona), Cary DePriest (Registered Principal, Phoenix, Arizona), and Robert E. Holbert (Registered Principal, Phoenix, Arizona). The firm was fined \$55,000 and expelled from NASD membership. Holbert was fined \$55,000 and barred from association with any NASD member in any capacity, and DePriest was fined \$35,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that the firm, acting through DePriest and Holbert, failed to comply with the exemptive provisions of the Securities and Exchange Commission's (SEC's) Customer Protection Rule 15c3-3 in that it failed to clear all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, failed to transmit promptly all customer funds and securities to the clearing broker or dealer, and failed to otherwise meet the criteria for an exemption from the requirements of the rule. In addition, the firm, acting through DePriest and Holbert, failed to prepare and maintain records that would evidence its compliance with the aforementioned rule requiring a daily determination of the quantity of

fully-paid excess margin securities in the firm's possession and control. The firm, acting through DePriest and Holbert, also failed to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers" and to make the computations necessary to determine the amount required to be on deposit in this bank account.

Furthermore, the firm, acting through DePriest and Holbert, failed to comply with the terms of its restriction agreement with the NASD and, the firm, acting through Holbert, failed to respond to NASD requests for information.

Firms Suspended

Weldon Sullivan Carmichael & Company, dba Weldon Sullivan Hudson & Company (Denver, Colorado) submitted a Letter of Acceptance, Waiver and Consent pursuant to which the firm was fined \$4,000, jointly and severally with an individual, and fined \$6,000, jointly and severally with another individual. In addition, the firm was suspended from engaging in underwriting activities for five business days. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that it engaged in a securities business while failing to maintain adequate net capital.

Firms Fined, Individuals Sanctioned

Marketing One Securities, Inc., (Portland, Oregon), Sharon Lorraine Pennell (Registered Principal, Portland, Oregon), and Larry D. Sperling (Registered Representative, Portland, Oregon) submitted Offers of Settlement pursuant to which the firm was fined \$10,000 and had paid substantial

restitution to its customers. In addition, the firm and Pennell were fined \$10,000, jointly and severally, and Sperling was fined \$10,000 and barred from associating with any NASD member in any capacity. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that Sperling engaged in private securities transactions while failing to inform his member firm of such activities. The findings also stated that the firm failed to establish and enforce written or unwritten supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations. The NASD also determined that the firm, acting through Pennell, submitted inaccurate or false and misleading Form U-5 termination notices concerning the actual circumstances that caused Sperling and another individual's termination from the member firm.

Republic Securities, Inc., (Chicago, Illinois) and Kevin Kowalski (Registered Principal, Chicago, Illinois) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$25,000, jointly and severally. The firm was also required to pay \$18,846.16 in restitution to customers. In addition, the firm will retain an independent law firm that will review the firm's third-market operations and procedures for compliance with the NASD's rules and regulations and submit a report of such review to the Chicago District Office. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Kowalski, engaged in 87 principal transactions with customers at unfair and unreasonable prices taking into consideration all relevant factors. The findings also stated that the firm, acting through Kowalski, paid \$326,551 in

commissions to a non-registered, non-member broker/dealer.

Firms And Individuals Fined

Kashner Davidson Securities Corporation (Sarasota, Florida) and Victor L. Kashner (Registered Principal, Sarasota, Florida) submitted an Offer of Settlement pursuant to which they were fined \$15,000, jointly and severally. Without admitting or denying the allegations, the respondents consented to the described sanction and to the entry of findings that, in contravention of the Board of Governors Free-Riding and Withholding Interpretation, the firm, acting through Kashner, sold shares of two new issues that traded at premium in the immediate aftermarket to investment partnerships without inquiring into the beneficial ownership of the partnerships. The findings also stated that the firm, acting through Kashner, submitted a Free-Riding and Withholding Questionnaire to the NASD that falsely indicated that it had not sold any shares of a new issue to an investment partnership. In addition, the NASD found that the firm, acting through Kashner, failed to establish and maintain adequate written supervisory procedures concerning free-riding and withholding.

Individuals Barred Or Suspended

Kenneth B. Albert (Registered Representative, Greenfield, Massachusetts) was fined \$50,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Albert misappropriated insurance customer funds totaling \$25,918.78 without their knowledge or consent. In addition, Albert failed to respond to NASD requests for information.

Larry W. Albin (Registered

Representative, Lancaster, Pennsylvania) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Albin failed to respond to NASD requests for information concerning his financial dealings with an individual.

James Hector Alvarado (Registered Representative, Deerfield, Illinois) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Alvarado consented to the described sanctions and to the entry of findings that he engaged in private securities transactions and failed to give written notice and obtain prior written authorization from his member firm to engage in such activities. The findings also stated that Alvarado provided to a public customer unapproved sales material that contained misleading and inaccurate information.

Michael S. Arbour (Registered Representative, Port St. Lucie, Florida) was fined \$25,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Arbour effected or caused to be effected the purchase of shares of a preferred stock for the securities account of a public customer without the customer's knowledge or consent. In addition, Arbour failed to follow the same customer's instruction to sell any position in the customer's securities account that declined in value by 10 percent. Arbour also failed to respond to an NASD request for information.

Ronald Avery Armstrong (Registered Representative, Honolulu, Hawaii) was fined \$20,000 and barred from association

with any NASD member in any capacity. The sanctions were based on findings that Armstrong failed to respond to NASD requests for information.

Darrell Gilbert Ayres (Registered Representative, Austin, Texas) was barred from association with any NASD member in any capacity. The National Business Conduct Committee (NBCC) imposed the sanction following review of a Dallas District Business Conduct Committee (DBCC) decision. The sanction was based on findings that Ayres made improper use of customers' funds totaling \$26,443 that he obtained under the false pretext that such funds were to be invested in tax sheltered investments through his member firm when, in reality, he converted such funds to his own use and benefit.

Felix Bakhman (Registered Representative, Brooklyn, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Bakhman consented to the described sanctions and to the entry of findings that he was discovered at the New York Public Library to be in possession of and copying stolen microfiche.

Jose Rafael Benitez (Registered Principal, Miramar, Puerto Rico) submitted an Offer of Settlement pursuant to which he was barred from association with any NASD member in any principal capacity. Without admitting or denying the allegations, Benitez consented to the described sanction and to the entry of findings that a member firm, acting through Benitez, conducted a securities business while failing to maintain its required minimum net capital. The NASD also found that the firm, act-

ing through Benitez, failed to maintain and keep current and accurate its books and records and filed materially inaccurate FOCUS Parts I and II reports. In addition, the findings stated that the firm, acting through Benitez, failed to file its annual audited financial report in a timely manner and failed to establish and maintain written supervisory procedures.

Brett L. Bouchy (Registered Principal, Scottsdale, Arizona) and **Richard C. Whelan (Registered Principal, Scottsdale, Arizona)** submitted an Offer of Settlement pursuant to which Bouchy was fined \$10,000 and suspended from association with any NASD member in any capacity for 10 business days. Whelan was fined \$20,000 and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that they participated in private securities transactions without providing prior written notice of such activities to their member firm. The findings also stated that Whelan provided false statements to the NASD in response to NASD requests for information.

Bouchy's and Whelan's suspensions began October 17, 1994, and concluded October 28, 1994.

Christopher Chruma (Associated Person, Melville, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000, barred from association with any NASD member in any capacity, ordered to disgorge ill-gotten gains of \$7,200, and ordered to fully cooperate with the NASD. Specifically, Chruma must provide information, answer questions, and offer testimony, if needed, in connection with the NASD's investigation. Without

admitting or denying the allegations, Chruma consented to the described sanctions and to the entry of findings that for \$7,200 he sold to a representative of another member firm numerous microfiche records containing customer account statements that he removed from the offices of his member firm.

Eddie Seung Chun (Registered Representative, Anaheim, California) was fined \$120,000 and barred from association with any NASD member in any capacity. In addition, Chun was ordered to reimburse his member firm \$448,351.78. The sanctions were based on findings that, without the knowledge and consent of a public customer, Chun submitted a "transfer/rollover of assets to another carrier" form to effect the surrender of the customer's IRA account and the issuance of a \$311,275.62 check made payable to a firm under Chun's control. Chun subsequently cashed the check and converted the funds to his own use. In addition, Chun received from a public customer a \$50,000 check for investment purposes, cashed the check, purchased a cashier's check made payable to another firm under his control, and converted the funds. Also, at Chun's request, a public customer issued a \$37,076.16 check made payable to the same firm under Chun's control for the purchase of an annuity. Chun cashed the check but failed to purchase any annuity and, instead, converted the funds. Furthermore, Chun submitted an "investment-only request for loan" form on behalf of a public customer seeking a loan against the customer's investment account without the customer's knowledge or consent, received a \$50,000 check, cashed the check, and converted the proceeds. Chun also failed to respond to NASD requests for information.

Steven Mark Cohen (Registered Representative, Roslyn, New York)

submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000 and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the allegations, Cohen consented to the described sanctions and to the entry of findings that he recommended and executed unsuitable securities transactions in the accounts of public customers.

Ronald Stephen Combs (Registered Principal, El Paso, Texas) and Leah A. Combs (Associated Person, El Paso, Texas). R. Combs was fined \$655,500 and barred from association with any NASD member in any capacity. L. Combs was fined \$65,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that, while acting on behalf of a former member firm, R. Combs effected transactions in, and induced the purchase of, securities by means of manipulative, deceptive, and fraudulent devices or contrivances. Specifically, R. Combs made improper use of the funds of public customers by misrepresenting to them that their funds had been invested when, in reality, such funds had been converted to the use and benefit of the firm. Furthermore, R. Combs continued his association with his member firm after he was convicted of a felony without first obtaining NASD approval.

In addition, L. Combs functioned as financial and operations principal (FINOP) for the same former member firm without having qualified by examination to function in such capacity. Also, the firm, acting through R. Combs, failed to maintain a blanket fidelity bond. Moreover, the firm, acting through R. Combs and L. Combs, conducted a securities business while failing to maintain its required minimum net capital and

while failing to make and keep current its books and records. Furthermore, the firm, acting through R. Combs and L. Combs, took possession of customers' funds and securities while purporting to operate under exemptive provisions of SEC Rule 15c3-3.

James S. Crousore, Sr. (Registered Representative, Indianapolis, Indiana) submitted an Offer of Settlement pursuant to which he was fined \$20,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Crousore consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for information.

Paul Walton Currie (Registered Representative, Atlanta, Georgia) was fined \$50,000, barred from association with any NASD member in any capacity, and required to pay \$11,629.54 plus interest in restitution to a public customer and \$31,000 plus interest in restitution to his member firm. The sanctions were based on findings that Currie engaged in a course of speculative and excessive trading activity involving 21 purchases and sales of securities in the account of a public customer without having a reasonable basis for believing that such trading was suitable for the customer based on the customer's financial situation and needs. Currie also effected or caused to be effected unauthorized transactions in the accounts of four public customers. In addition, Currie failed to respond to NASD requests for information.

David G. Deacon (Registered Representative, Boynton Beach, Florida) submitted an Offer of Settlement pursuant to which he was fined \$5,000 and suspended from association with any NASD member in any capacity for five business

days. Without admitting or denying the allegations, Deacon consented to the described sanctions and to the entry of findings that he opened two securities accounts with his member firm and failed to disclose that the accounts were controlled by a former employee of the firm.

Deacon's suspension will begin December 7, 1994.

Bartholomeus T. deBont (Registered Representative, Wakefield, Rhode Island) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, deBont consented to the described sanctions and to the entry of findings that, without authorization, he obtained a \$2,200 insurance policy withdrawal check intended for an insurance customer and converted the proceeds to his own use and benefit.

Paul A. DeCarlo (Associated Person, Brooklyn, New York) was fined \$10,000 and barred from association with any NASD member in any capacity. The NBCC affirmed the sanction following appeal of a Philadelphia DBCC decision. The sanctions were based on findings that DeCarlo arranged, recruited, and conspired to have an imposter take the Series 7 examination for him.

Michael P. Donnelly (Registered Representative, Rocky Hill, Connecticut) was fined \$5,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Donnelly received from a public customer a \$2,000 check for investment purposes. Instead, Donnelly endorsed and deposited the check into his own account and withheld and misappropriated the proceeds to his own use and benefit without the knowledge or

consent of the customer.

David P. Elliott (Registered Representative, Venice, Florida) was fined \$50,000, barred from association with any NASD member in any capacity, and required to pay \$90,602.19 in restitution to his member firm. The sanctions were based on findings that Elliott engaged in private securities transactions without providing written notice to or obtaining approval from his member firm. In addition, Elliott failed to respond to an NASD request for information.

Charles C. Florence, Jr. (Registered Representative, Morgantown, West Virginia) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Florence failed to respond to NASD requests for information concerning matters disclosed in a Notice of Termination (Form U-5) filed for him by a member firm.

Thomas M. Fogle (Registered Representative, Las Vegas, Nevada) was fined \$57,500, ordered to reimburse his former member firm \$7,500, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Fogle received from a public customer \$1,000 for investment purposes; however, he never deposited the funds in the account and, instead, converted the funds for his own use. When the customer confronted Fogle with a statement that did not reflect the deposit, Fogle prepared and delivered to the customer an account statement falsely reflecting that the funds had been deposited in the account. In addition, Fogle caused \$6,500 to be withdrawn from the joint bank savings account of public customers without their knowledge or consent by forging withdrawal slips and converting the funds to his own use. Fogle also

failed to respond to NASD requests for information.

George Gable, Jr., (Registered Representative, Uniontown, Pennsylvania) was fined \$5,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Gable received from public customers two checks totaling \$1,000 intended for payment of an insurance premium. Gable caused the checks to be deposited with his member firm and applied the funds to pay premiums on a policy other than those of the customers.

George H. Gable (Registered Principal, Anaheim, California) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$30,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Gable consented to the described sanctions and to the entry of findings that a customer placed three option orders that Gable orally agreed to have executed. However, the NASD found that Gable never executed the orders as promised but confirmed to the customer that the orders were executed. Furthermore, the findings stated that Gable prepared a false ledger reporting cash and margin balances that incorrectly represented that a customer's account had a \$675.00 credit balance. The report was falsified to make it appear that a previous error in crediting certain proceeds owed to the customer had been corrected. In fact, NASD determined that the error had not been corrected when the money line report was prepared and, therefore, the customer's account actually had a zero balance. The NASD also determined that Gable prepared a false money line report that incorrectly represented a customer's margin account balance to avoid the necessity of explaining to the customer the

reasons for the existence of debit balances in the customer's account.

Kevin Galati (Registered Representative, Parsippany, New Jersey) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Galati consented to the described sanctions and to the entry of findings that he entered the premises of his former member firm and removed about 6,000 bond maturity cards, all without permission from any person at the firm.

Robert C. Goodwin (Registered Principal, Sherwood, Arkansas) submitted an Offer of Settlement pursuant to which he was fined \$10,000, suspended from association with any NASD member as FINOP for one year, and required to requalify by examination as a FINOP before again acting in that capacity with any NASD member. Without admitting or denying the allegations, Goodwin consented to the described sanctions and to the entry of findings that he performed the functions of a FINOP without proper registration. In addition, the NASD determined that a member firm, acting through Goodwin, conducted a securities business while failing to maintain its required minimum net capital and filed inaccurate FOCUS Parts I and IIA reports.

The findings also stated that the firm, acting through Goodwin, failed to maintain complete, accurate, and current books and records, and as required by Exchange Act Rule 17a-11, failed to file monthly financial reports with the NASD concerning its net capital deficiency. Moreover, the NASD found that the firm, acting through Goodwin, failed to give telegraphic notice and report its failure to make and keep current books and records.

Phil Hargrave (Associated Person, Baltimore, Maryland) was fined \$20,000 and barred from association with any NASD member in any capacity. Hargrave forged or caused to be forged the endorsement signatures of insurance customers on two policy surrender checks totaling \$1,281.48, negotiated both checks, and converted the proceeds for his personal use and benefit.

Dennis Michael Hayes (Registered Representative, West Bloomfield, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the allegations, Hayes consented to the described sanctions and to the entry of findings that he participated in private securities transactions and failed to give prior written notice to, or receive prior written authorization from, his member firm to engage in such activities.

G. Drew Hayes, Jr. (Registered Representative, Wenonah, New Jersey) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Hayes failed to respond to NASD requests for information by not appearing at the NASD and providing testimony.

Douglas E. Holmes (Registered Representative, Port Clinton, Ohio) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Holmes failed to respond to NASD requests for information concerning his termination from a member firm.

Frederick S. Hunt (Registered Representative, Lake Hamilton, Arkansas) and **Peggy B. Hunt (Registered Representative, Lake**

Hamilton, Arkansas) submitted an Offer of Settlement pursuant to which F. Hunt was fined \$25,000 and barred from association with any NASD member in any capacity. P. Hunt was fined \$5,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that F. Hunt solicited and effected securities transactions with 10 public customers without being registered with the NASD as a representative. The NASD also found that to execute the aforementioned transactions, P. Hunt signed the account documents for the 10 public customers and received commission payments even though she did not effect the transactions or have any contact with the public customers.

Robert Daniel Idzi, Jr. (Registered Representative, Alexandria, Virginia) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Idzi consented to the described sanctions and to the entry of findings that he appeared at various NASD Proctor Certification Testing Centers and impersonated five candidates for the purpose of taking qualification examinations. According to the findings, Idzi produced several fraudulent identifications and received payment for his services.

Henry C. Johnson (Registered Representative, Washington, D.C.) submitted an Offer of Settlement pursuant to which he was fined \$65,000, barred from association with any NASD member in any capacity, and required to pay restitution to all aggrieved parties. Without admitting or denying the allegations, Johnson consented to the described sanctions

and to the entry of findings that he forged the endorsement signatures of two public customers on nine insurance premium refund checks totaling \$1,673.34, and negotiated and converted the proceeds for his own use and benefit. The findings also stated that Johnson forged a different customer's signature on a document requesting the surrender of an insurance policy and a change of his address. The NASD further found that Johnson forged the customer's signature on a \$5,276.69 surrender check, endorsed it to his wife's name, and converted the proceeds for his own use and benefit. In addition, the NASD determined that Johnson failed to respond to NASD requests for information.

Carter Allen Jones, Jr. (Registered Representative, Ft. Lauderdale, Florida) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Jones failed to respond to NASD requests for information concerning customer complaints.

Scott Alan Kann (Registered Representative, Delray Beach, Florida) was fined \$25,000, barred from association with any NASD member in any capacity, and ordered to pay \$381 plus interest in restitution to his member firm. The sanctions were based on findings that Kann purchased and sold shares of common stock in his personal securities account without paying for the purchase. Kann also falsely represented to an issuer of publicly traded securities that he was authorized to represent his member firm in discussions concerning his member firm committing to becoming a market maker in the issuer's common stock. In addition, Kann failed to respond to NASD requests for information.

Ronald L. LaMell (Associated Person, Highland Park, Illinois)

submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$120,000, barred from association with any NASD member in any capacity, and required to pay \$182,166 in restitution to a member firm. Without admitting or denying the allegations, LaMell consented to the described sanctions and to the entry of findings that he obtained checks totaling \$182,166 from his member firm payable to public customers from withdrawals of dividends from the customers' insurance policies or loans against their policies. According to the findings, LaMell failed to forward the checks to the customers and used the funds for some purpose other than for the benefit of the customers. The findings also stated that LaMell failed to respond to NASD requests for information.

Horace S. Langhorne (Registered Representative, Alta Loma, California) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was barred from association with any NASD member in any capacity. Without admitting or denying the allegation, Langhorne consented to the described sanction and to the entry of findings that, on several occasions, he forged customer signatures on applications to reinstate their life insurance policies, and on disbursement request forms to facilitate the payout of proceeds from the customers' existing life insurance policies. As a result of this activity, the NASD found that Langhorne used the proceeds without the customers' knowledge or consent to pay the customers' existing life insurance policies. In addition, the NASD found that Langhorne provided his member firm with incorrect addresses to prevent the customers from receiving billing information from the firm. The NASD determined that by engaging in this misconduct, Langhorne prevented the customers'

insurance policies from lapsing and received commissions totaling \$1,471.77.

Edward B. Lee (Registered Representative, San Diego, California) was fined \$20,748.05, barred from association with any NASD member in any capacity, and required to pay \$244.57 in restitution to his former member firm. The sanctions were based on findings that Lee received from a public customer a \$3,896.63 insurance policy refund check, failed to deposit the check in the customer account and, instead, deposited the check into his personal bank account and converted the funds. In addition, Lee cashed and converted for his own use a \$252.98 insurance refund check made payable to another public customer.

Paul F. Lovito, Jr. (Registered Principal, Margate, Florida) submitted an Offer of Settlement pursuant to which he was fined \$5,000, barred from association with any NASD member as a FINOP with the right to reapply for such registration after two years, and required to requalify by examination as a FINOP. Without admitting or denying the allegations, Lovito consented to the described sanctions and to the entry of findings that during the course of a qualification examination, he had in his possession notes relating to the subject matter of the examination and reviewed such notes during the course of the examination.

Jack William Maddock (Registered Representative, Tamarac, Florida) was fined \$45,000, barred from association with any NASD member in any capacity, and required to pay \$43,184.92 in restitution to a public customer. The sanctions were based on findings that Maddock made recommendations to a public customer without having reasonable grounds for believing that such transactions

were suitable for the customer based on facts disclosed by the customer as to the customer's tax status, investment objective, and financial situation and needs. In addition, Maddock failed to respond to an NASD request for information.

Michael J. Markowski (Registered Principal, Miami Beach, Florida) was fined \$50,000, barred from association with any NASD member in a principal capacity, barred from maintaining a debt or equity interest in any member firm, and suspended from association with any NASD member in any capacity for two years. The United States Court of Appeals for the Second Circuit denied Markowski's petition for review and affirmed the sanctions imposed in an SEC decision. The sanctions were based on findings that Markowski failed to respond to repeated written and oral requests for information made by the NASD concerning access to his member firm's books and records. Markowski also failed to update his registration to reflect his current address.

Sabrina L. Martinez (Registered Representative, Englewood, Colorado) submitted an Offer of Settlement pursuant to which she was suspended from association with any NASD member in any capacity for two years. Without admitting or denying the allegations, Martinez consented to the described sanction and to the entry of findings that she failed to disclose on a Uniform Application for Securities Industry Registration (Form U-4) that she was the subject of a pending NASD investigation concerning conduct that occurred while she was associated with a member firm.

Martinez's suspension began August 15, 1994.

Douglas Alfred Mathes (Registered Principal, Sacramento, California)

was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Mathes failed to respond to NASD requests for information regarding a complaint against him by a public customer.

Lawrence J. McKenney (Registered Representative, Apopka, Florida) was fined \$15,000, suspended from association with any NASD member in any capacity for 30 days, required to requalify by examination as a general securities representative, and ordered to disgorge \$12,500 to the NASD. The sanctions were based on findings that McKenney made recommendations to a public customer without having reasonable grounds for believing that such transactions were suitable for the customer based on the customer's tax status, investment objective, and financial situation and needs.

Roger Kendall Meyer (Registered Representative, Casper, Wyoming) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$100,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Meyer consented to the described sanctions and to the entry of findings that he participated in outside business activities and private securities transactions without providing prior written notice of these transactions and activities to his member firm. The findings also stated that Meyer failed to respond to NASD requests for information.

Thomas Brian Moloney (Registered Representative, Seattle, Washington) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$23,000 and suspended from association with any NASD member in any capacity for 10 business days.

Without admitting or denying the allegations, Moloney consented to the described sanctions and to the entry of findings that, in contravention of the Board of Governors Interpretation with respect to Free-Riding and Withholding, Moloney sold shares of new issues that traded at a premium in the immediate after-market to restricted persons.

Edward L. Moseley (Registered Representative, Atlanta, Georgia) submitted an Offer of Settlement pursuant to which he was fined \$2,500 and suspended from association with any NASD member in any capacity for five business days. Without admitting or denying the allegations, Moseley consented to the described sanctions and to the entry of findings that he solicited 11 investors who purchased units of a private placement outside the scope of his association with his member firm without receiving written approval from the firm. In addition, Moseley served as vice president, secretary, and director of a company for which he was to receive compensation but failed to provide prompt written notification of such employment to his member firm.

Moseley's suspension will begin December 19, 1994.

John F. Nazer (Registered Representative, Keene, New Hampshire) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Nazer consented to the described sanctions and to the entry of findings that he misused insurance customer funds totaling \$10,000.

Geoffrey R. Nevel (Registered Representative, South Williamsport, Pennsylvania) sub-

mitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Nevel consented to the described sanctions and to the entry of findings that he completed and submitted to his member firm three applications for reinstatement and six disbursement request forms relating to three separate insurance policies owned by a customer to prevent the policies from lapsing. According to the findings, Nevel completed and submitted the documents without the knowledge or authorization of the policy owner and forged the customer's signature on each application and disbursement form. The NASD determined that Nevel separately requested a loan against each of the three policies without the knowledge or consent of the policy owner. Pursuant thereto, the NASD found that three checks totaling \$3,884.71 were issued payable to the policy holder. The findings stated that Nevel obtained the checks, forged the customer's endorsement on each check, signed each check, and negotiated and obtained the funds that he used at his discretion.

John Francis Noonan (Registered Representative, Minneapolis, Minnesota) was fined \$5,000, barred from association with any NASD member in any capacity with the right to apply for association with an NASD member after two years, and required to requalify by examination as a general securities representative. The NBCC imposed the sanctions following review of a Kansas City DBCC decision. The sanctions were based on findings that Noonan fabricated documentation for the purpose of an NASD arbitration proceeding.

This action has been appealed to the SEC and the sanctions, other than the bar, are not in effect pending consid-

eration of the appeal.

Gregory Edward Norlander (Registered Representative, Camarillo, California) was barred from association with any NASD member in any capacity. The sanction was based on findings that Norlander executed numerous unauthorized transactions in customer accounts. He also failed to respond to NASD requests for information.

Robert Bruce Orkin (Registered Principal, Boca Raton, Florida) was fined \$15,000 and suspended from association with any NASD member in any principal capacity for 90 days. The United States Court of Appeals for the Eleventh Circuit denied Orkin's petition for review and affirmed the sanctions imposed in an SEC decision. The sanctions were based on findings that a member firm, acting through Orkin, effected, as principal for its own account, over-the-counter sales of corporate securities to public customers at unfair prices. The markups on these transactions ranged from 16.67 to 100 percent over the prevailing market price, in violation of the NASD Mark-Up Policy.

Richard D. Packard (Registered Representative, Germantown, Tennessee) was fined \$120,000, barred from association with any NASD member in any capacity, and required to pay \$168,360.40 in restitution to his member firm. The sanctions were based on findings that Packard misappropriated \$168,360.40 from the operating account of his member firm. Specifically, in his capacity as supervisor of the reorganization department, Packard caused entries to be made to his personal brokerage account indicating the receipt of fictitious securities, sold the securities, and thus converted the proceeds to his own use and benefit without the knowledge or consent of his member

firm. In addition, Packard failed to respond to NASD requests for information.

G. Allen Paeth (Registered Representative, Cocoa, Florida) was fined \$120,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Paeth received from eight public customers checks totaling \$38,500 intended to be applied as payments to their annuities. Instead, Paeth converted the proceeds for his own use and benefit without the customers' knowledge or authorization. In addition, Paeth failed to respond to an NASD request for information.

Gregory James Peitz (Registered Representative, Brooklyn, New York) was fined \$25,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Peitz executed two unauthorized transactions in the account of a public customer and failed to appear for an on-the-record interview.

Eric E. Peterson (Registered Representative, Las Vegas, Nevada) was barred from association with any NASD member in any capacity. The sanction was based on findings that Peterson made false and misleading statements of material fact and used manipulative, deceptive, and other fraudulent devices to induce the purchase and sale of securities. In addition, Peterson made unauthorized trades in customer accounts, guaranteed a customer against losses, and misappropriated and converted \$13,000 in customer funds to his own use. In addition, Peterson failed to respond to NASD requests for information by failing to appear at an investigative interview.

Frank J. Pezzello (Registered Representative, New Windsor, New York) was fined \$20,000 and barred

from association with any NASD member in any capacity. The sanctions were based on findings that Pezzello withheld and misappropriated from a public customer a \$5,000 check intended for investment in a mutual fund.

Harish C. Puri (Registered Principal, Rockford, Illinois) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Puri consented to the described sanctions and to the entry of findings that he participated in private securities transactions while failing to give prior written notice to his member firm of his intention to engage in such activities.

Charles W. Rainwater (Registered Representative, Springfield, Virginia) was barred from association with any NASD member in any capacity. The sanction was based on findings that Rainwater prepared and submitted to his member firm a letter purportedly from a public customer regarding the customer's purchases of stock and forged the customer's signature on the letter. Furthermore, Rainwater executed unauthorized transactions in the accounts of public customers. In addition, Rainwater recommended to and effected for the accounts of public customers the purchase of securities without having reasonable grounds to believe such purchases were suitable for the customers in light of their investment inexperience, and financial needs and objectives.

James Bradford Read (Registered Representative, Seattle, Washington) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$16,000, suspended from association with any NASD member in any

capacity for 10 business days, and required to requalify by examination as a general securities representative. Without admitting or denying the allegations, Read consented to the described sanctions and to the entry of findings that, in contravention of the Board of Governors Interpretation with respect to Free-Riding and Withholding, Read sold shares of three new issues that traded at a premium in the immediate aftermarket to a restricted account.

Seth R. Roberts (Registered Representative, Highlands Ranch, Colorado) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Roberts consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for information.

Norman Thorn Robertson (Registered Representative, Santa Barbara, California) was fined \$20,000, suspended from association with any NASD member in any capacity for 90 days, and required to requalify by examination in any capacity in which he seeks to become associated. The sanctions were based on findings that Robertson caused to be prepared two false documents relating to a customer account. One document referenced an account balance when, in fact, no account existed, and the other document referred to significant securities holdings in the same account when there were no securities in the account.

Gary B. Scher (Registered Representative, Ft. Lauderdale, Florida) was fined \$120,000, barred from association with any NASD member in any capacity, and required to pay \$36,601.91 plus interest in restitution to his member firm. The

sanctions were based on findings that Scher withdrew from the securities accounts of public customers checks totaling \$49,644 without their knowledge or authorization and converted the funds for his own use and benefit. In addition, Scher failed to respond to an NASD request for information.

Helene R. Schwartz (Registered Representative, Maple Shade, New Jersey) was suspended from association with any NASD member in any capacity for 30 days (suspension deemed served). The SEC imposed the sanctions following appeal of a November 1993 NBCC decision. The sanctions were based on findings that Schwartz had unauthorized material in her possession while taking the Series 6 examination.

Loren D. Sirko (Registered Representative, Lagrangeville, New York) was fined \$75,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Sirko caused the misappropriation of customer funds totaling \$62,528.90 without the knowledge or consent of his member firm or customers by causing the issuance of checks, double endorsing the checks, and converting the funds for his own use. In addition, Sirko failed to respond to NASD requests for information.

William Kirk Smith (Registered Representative, Anniston, Alabama) was fined \$43,202, barred from association with any NASD member in any capacity, and ordered to pay restitution to his member firm. The sanctions were based on findings that Smith engaged in a fraudulent scheme by issuing an \$8,640.42 check from the account of a public customer without the customer's knowledge, consent, or authorization. Furthermore, Smith deposited the check in an account he controlled and personally used and converted the funds to his own use and benefit.

Sidney J. Spiegel (Registered Representative, Randolph, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Spiegel consented to the described sanctions and to the entry of findings that he received from a public customer \$4,989.11 intended for an insurance premium payment and without the customer's knowledge or consent misappropriated the funds for his own use and benefit.

Anthony V. Tata (Registered Representative, North Haven, Connecticut) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Tata consented to the described sanctions and to the entry of findings that he withheld and misappropriated \$3,800 representing funds of at least seven insurance policyholders.

Dennis M. Tuite (Registered Representative, Charlotte, North Carolina) was fined \$65,000, barred from association with any NASD member in any capacity, and required to pay \$8,829.19 in restitution to his member firm. The sanctions were based on findings that Tuite transferred into his personal securities account three securities positions from his parents' account without their knowledge or consent by falsifying two letters of authorization. Tuite also liquidated two of the three aforementioned securities positions and withdrew the proceeds totaling \$8,829.19. In addition, Tuite failed to respond to an NASD request for information.

Charles B. Wakely (Registered

Representative, Alpharetta, Georgia) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$100,000, barred from association with any NASD member in any capacity, and required to pay \$45,000 in restitution to public customers. Without admitting or denying the allegations, Wakely consented to the described sanctions and to the entry of findings that he misappropriated \$45,000 from various customer accounts.

Kwok Cheung Yung (Associated Person, New York, New York) submitted an Offer of Settlement pursuant to which he was fined \$2,500 and suspended from association with any NASD member in any capacity for six months. Without admitting or denying the allegations, Yung consented to the described sanctions and to the entry of findings that he functioned in the capacity of a general securities representative without the benefit of registration with the NASD.

Individuals Fined

Douglas W. Ausenbaugh (Registered Representative, Miami, Florida) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000. Without admitting or denying the allegations, Ausenbaugh consented to the described sanction and to the entry of findings that he exercised discretion in the accounts of public customers without obtaining prior written discretionary authority from the customers.

Randolph Obyrne Coleman (Registered Representative, Bozeman, Montana) was fined \$7,650 and required to pay \$2,950 in restitution to a member firm. The sanctions were based on findings that Coleman executed unauthorized

transactions in the accounts of public customers and exercised discretion in another public customer's account without obtaining prior written discretionary authorization from the customer and without written acceptance of such discretion by his member firm.

Eric Woo Kim (Registered Representative, Glencoe, Illinois) was fined \$12,500. The sanction was based on findings that Kim engaged in private securities transactions and failed to give his member firm prior written notice of his intention, and to receive from the firm prior written permission, to engage in such activities.

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 began is listed after each entry. If the firm has complied with the requests for information, the listing also includes the date the suspension concluded.

American Interstate Financial Corporation, Portland, Oregon (September 30, 1994)

DFP Equities, Inc., Indianapolis, Indiana (September 30, 1994, to October 3, 1994)

Weldon Sullivan Carmichael & Company, Denver, Colorado (September 30, 1994)

Westmark Securities Corporation, Santa Monica, California (September 23, 1994)

Suspensions Lifted

The NASD has lifted suspensions from membership on the dates shown for the following firms, because they have complied with formal written requests to submit financial information.

CMS Financial Group, Inc., Hinsdale, Illinois (September 28, 1994)

Genesis Holding Group, Ltd., Chicago, Illinois (October 5, 1994)

Individuals Whose Registrations Were Revoked For Failure To Pay Fines, Costs, And/Or Provide Proof Of Restitution In Connection With Violations

Earl C. Bills, II, Dallas Texas

Robert F. Craig, Roswell, Georgia

James M. Davis, Dallas, Texas

Kristi D. Edwards, Pensacola, Florida

Gus Goldman, Bronx, New York

Francis W. Giampa, Wailingford, Pennsylvania

Chester G. Gural, East Syracuse, New York

John B. Hayden, Stateline, Nevada

Elaine Johnson, Salt Lake City, Utah

Ronald A. Johnson, Jr., Salt Lake City, Utah

Gary L. Leavitt, Orem, Utah

Lex M. Mason, Dallas, Texas

Warren J. Mayeux, Jr., Baton Rouge, Louisiana

Jeffrey E. Modesitt, Sr., Littleton,
Colorado

Phyllis J. Elliott Riedel, Grandview,
Missouri

John D. Ritter, Richardson, Texas

Seldon S. Rodgers, San Diego,
California

Theodore Rodosovich, Poway,
California

Charles R. Tassinari, Valley
Stream, New York

Mohammed N. Wasif, Pompano
Beach, Florida

**Firms Expelled For Failure To Pay
Fines, Costs, And/Or Provide Proof
Of Restitution In Connection With
Violations**

**CC&Q Investors Diversified,
Incorporated**, Atlanta, Georgia

Emanuel and Company, New York,
New York

First Continental Corporation, Old
San Juan, Puerto Rico

**R.A. Johnson & Company,
Incorporated**, Salt Lake City, Utah

FOR YOUR INFORMATION

Market Hours For Upcoming Holidays

The Nasdaq Stock MarketSM will close at 1 p.m., ET, on Friday, November 25. SelectNetSM trading will continue until 2:15 p.m., ET.

The Nasdaq Stock Market will be closed for business on Thursday, November 24, 1994, in observance of Thanksgiving Day.

The Nasdaq Stock Market will be closed on Monday, December 26, in observance of Christmas, and on Monday, January 2, 1995, in observance of New Year's Day.

The Nasdaq Stock Market will be open regular hours, 9:30 a.m. to 4 p.m. ET, on Friday, December 30.