

**ANNUAL REPORT**

OF THE

**Banking Commissioner**

OF THE

**STATE OF CONNECTICUT**

FOR THE YEAR ENDED DECEMBER 31, 1984

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**BRIAN J. WOOLF**  
**BANKING COMMISSIONER**

**HOWARD B. BROWN**  
**DEPUTY BANKING COMMISSIONER**

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State Office Building, Hartford, Connecticut 06106

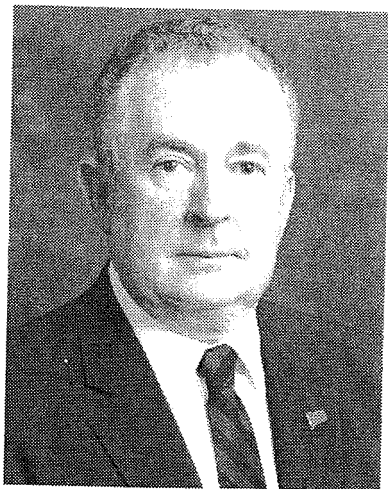
*We Dedicate This Annual Report to the Memory of*

*Senator William J. Sullivan*

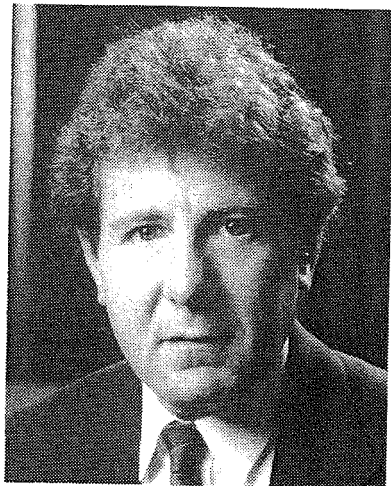


*1928-1984*

*Who Served as Chairman of the Banks Committee  
of the Connecticut General Assembly  
from 1978 to 1984*



**Governor William A. O'Neill**



**Commissioner Brian J. Woolf**

### *Structure*

Exclusive of Constitution State Corporate, there were 132 state-chartered credit unions with total assets of \$330.3 million at year-end 1984 in Connecticut. During the year, three credit unions were liquidated, two state-chartered credit unions were merged into other state-chartered credit unions, four state-chartered credit unions merged into federally chartered credit unions, one federally chartered credit union merged into a state-chartered credit union, and three credit unions converted to a federal charter. Details of these changes are found in Table 42.

Average asset size of state credit unions was \$2.5 million. Twenty-nine credit unions, comprising 22.0% of all credit unions, had assets of \$2.0 million or more. These credit unions accounted for 83.6% of all assets. The smallest, 28.8% of the credit unions each had assets of less than \$250,000; they accounted for 1.6% of all assets. Table 43A presents selected balance sheet items arranged by asset size of credit unions.

There were 252 federally chartered credit unions in the state of Connecticut with total assets of \$1,293.0 million as of year-end 1984, which represents an increase of 19.9%. The average asset size of federal credit unions was \$5.1 million.

## **SECURITIES AND BUSINESS INVESTMENTS DIVISION**

The Securities and Business Investments Division is responsible for the following areas subject to the general supervision of the Banking Commissioner: 1) the registration of Tender Offers, Securities and Business Opportunity programs for sale in Connecticut; 2) Broker-Dealer and Investment Adviser and Agent registration; 3) routine examinations of Broker-Dealer and Investment Adviser registrants; and 4) enforcement of the Tender Offer, Securities and Business Opportunity laws.

As of year-end 1984, the division was comprised of a division director, an assistant division director, a director of enforcement, eleven examiners, three Connecticut Careers Trainees and fourteen support personnel.

### *Activities*

Jurisdiction of the Banking Commissioner over the Tender Offer, Securities and Business Opportunity laws emanates from Chapters 661a, 662 and 662a of the Connecticut General Statutes, respectively.

In connection with the Securities and Business Opportunity laws, as of the year-end 1984, 30,680 persons were registered to engage in selling securities and to offer advice and management services regarding investments in securities. This represents 24% increase over the number of registrants in 1983. Fifty-five percent of those registered were engaged in the general brokerage business. (Tables 51, 52, 52a and 53).

In 1984, 4,340 registration statements of securities issuers were received prior to their sale in Connecticut. Fifty-one registrations by sellers of business opportunity programs were received. Nineteen business opportunity registrations were renewed. There was one tender offer registered during 1984. (See Table No. 55).

During 1984, 260 securities complaints were processed and 460 inquiries were received. Also, during 1984, 14 routine broker-dealer and 30 investment adviser examinations were undertaken. One hundred eighty-three securities and eight business opportunity investigations were initiated. Eleven cease and desist orders were issued in the securities area compared to a total of seven the previous year. Three securities matters were referred for criminal action (See Table No. 56). Of all the complaints processed and investigations opened, most were resolved on the administrative level. Many such administrative resolutions took the form of requiring those believed to be violating the law to offer rescissions to investors, or to submit affidavits that no business would be conducted in Connecticut until they were properly registered or exempt from registration under the securities or business opportunity laws. Others were resolved by entering into consent agreements, or a combination of the foregoing.

In 1984, the Banking Commissioner referred to the Office of the Attorney General of Connecticut one securities complaint and two cases for enforcement of subpoenas. One securities complaint was referred to the New England Regional Office of the Securities and Exchange Commission.

In 1984, Counsel to the Banking Commissioner issued 4,885 interpretive opinions and exemption acknowledgements in the area of securities and 29 in the area of business opportunities. (See Table No. 57).

#### *Exemptive Orders*

On July 5, 1984 the Banking Commissioner issued an Order pursuant to Section 36-500-5(e) and Section 36-500-32(a)(6) of the Regulations of Connecticut State Agencies that enabled Connecticut to join the majority of states participating in the NASAA Central Registration Depository Temporary Agent Transfer Program. The Temporary Agent Transfer Program expedites and facilitates the transfer of agents from one broker-dealer to another in Connecticut. In the past, the transfer of broker-dealer agents had been hindered due to the failure of terminating broker-dealers to timely file a notice with the Commissioner on Form U-5. The Temporary Agent Transfer Program provides for a temporary transfer of registration for agents who terminated employment with a broker-dealer within the previous seven calendar days and without disciplinary reasons.

To participate in the Temporary Agent Transfer Program, a broker-dealer has to execute and file with the Commissioner, through the CRD, a broker-dealer undertaking and maintain sufficient funds on deposit with the CRD to pay the required regulatory fees. The effect of the Temporary Agent Transfer Program is to enable a broker-dealer agent to be temporarily transferred to a participating broker-dealer for a 21-day period, following which the registration is made permanent if a properly executed Form U-4 is filed on behalf of the agent. The temporary transfer of registration for agents does not relieve a terminating broker-dealer from the requirement of filing a Form U-5 within five days of termination of employment. In addition, the temporary agent transfer does not relieve any employing broker-dealer or its agents of liability imposed under the Connecticut Uniform Securities Act or its regulations or of any liability imposed at law or in equity.

By Order dated July 23, 1984, the Banking Commissioner stipulated that venture capital funds having certain types of characteristics are not within the

intent of the definition of an investment adviser contained in Section 36-471(f) of the Connecticut Uniform Securities Act and therefore are not required to register under the Act. The Order is based on a number of findings, including the following: (i) the funds will invest a substantial part of their business in the securities of privately held companies; (ii) the sale of interests in the fund must be exempt under the prescribed section of the Regulations; (iii) the manager must not render advisory services to more than five funds having a Connecticut investor (other than Institutional Investors); and (iv) prescribed disclosure requirements, to the extent applicable, must be met.

By Order dated July 30, 1984 issued pursuant to Section 36-500-32(a)(6) of the Regulations of Connecticut State Agencies promulgated under Chapter 662 of the Connecticut General Statutes, the Connecticut Uniform Securities Act, the Banking Commissioner exempted investment advisers from the requirement of filing audited financial statements in some instances. The Order provided that:

- (A) Investment adviser applicants and registered investment advisers who do not have custody or possession of clients' funds or securities and who do not require the prepayment of advisory fees six months or more in advance and in excess of \$500 per client shall be exempted from the provisions in Section 36-500-8(a)(1) and Section 36-500-13(b)(2)(A)(ii) of the Regulations which require that reports of financial condition for investment advisers be examined in accordance with generally accepted auditing standards and reported upon with an opinion expressed by an independent certified public accountant or independent public accountant.
- (B) Those investment adviser applicants and registered investment advisers described in paragraph 7(A) of this Order shall be in compliance with Section 36-500-8(a)(1) and Section 36-500-13(b)(2)(A)(ii) of the Regulations if the reports of financial condition submitted to the Department of Banking are not certified by an independent certified public accountant or independent public accountant.

## LEGISLATION

During the 1984 session of the General Assembly, the following public acts affecting areas regulated by the Department of Banking were approved and signed into law:

### *Banks and Savings Institutions*

P.A. 84-31, *An Act Repealing Provisions Concerning the Savings Banks' Deposit Guaranty Fund Board of Governor's Authority as Trustees in Liquidation of the Fund*, repealed Section 36-141a of the General Statutes (Section 36-141a provided that although The Savings Banks' Deposit Guaranty Fund of Connecticut, Inc., was terminated, the governing board would continue as trustees in liquidation of the corporation).

P.A. 84-35, *An Act Authorizing Investment in the African Development Bank*, amends Section 36-57(r) of the General Statutes and provides state bank and trust companies with specific authority to invest in the African Development Bank.

### *Securities and Business Investments*

In 1984, there were no amendments to Chapter 661a, the Tender Offer Act, or to Chapter 662, the Connecticut Uniform Securities Act.

P.A. 84-67, which became effective on Oct. 1, 1984, amended *Chapter 662 of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act*. The principal changes made by P.A. 84-67 include: The Act increases the disclosures included in the disclosure document provided to purchaser-investors. Specifically, the Act requires business opportunity sellers to disclose to purchaser-investors the actual services the purchaser-investors undertake to perform, including, but not limited to, compliance with procedures established by the seller regarding the operation of the business. In addition, the Act requires that the disclosure document 1) disclose recurring funds purchaser-investors must pay, not only to the seller, but to any person; 2) set forth a 10-year employment or occupational history of persons representing the seller, and 3) include the "risk factors" involved in the business opportunity offering. The Act also provides an exemption from business opportunity registration where the business opportunity is sold in Connecticut exclusively to purchaser-investors each of whom has a net worth of not less than \$11,000, exclusive of principal residence, home furnishings and personal automobiles. The Act also mandates that a business opportunity seller amend its financial statements not less than quarterly, and it requires that every business opportunity contract include the approximate delivery date of occupational guidelines the business opportunity seller will deliver to purchaser-investors. The Act also expands the Banking Commissioner's power to issue a stop order by providing that a stop order may be issued if the business opportunity registration is incomplete in any material respect following its effective date.

Respectfully submitted,



Brian J. Woolf  
Banking Commissioner

**Table No. 51**  
**REGISTRATIONS:**  
**BROKER-DEALERS, INVESTMENT ADVISERS AND AGENTS**

	In Effect Dec. 31		Increase	
	1984	1983	1984	1983
Broker-Dealers .....	1,154	916	24.9%	22.9%
Agents .....	28,964	22,587	28.0	20.7
Investment Advisers .....	310	263	17.9	22.9
Investment Adviser Agents .....	1,547	1,095	41.5	41.2
Agent of Issuer .....	169	151	11.9	(37.3)

**Table No. 52**  
**CLASSIFICATIONS OF BROKER-DEALER REGISTRANTS**

Type of Business	Number		Percent	
	1984	1983	1984	1983
General Brokerage .....	1,026	546	66.3%	59.6%
Investment Trust .....	39	20	2.5	2.2
Other Specialists .....	482	350	31.2	38.2
<b>Totals .....</b>	<b>1,547</b>	<b>916</b>	<b>100.0%</b>	<b>100.0%</b>

**Table No. 52a**  
**MAIN OFFICE:**  
**BROKER-DEALER AND INVESTMENT ADVISER REGISTRANTS**

1984	Broker-Dealers	Investment Advisers
Alabama .....	0	0
Arizona .....	3	0
California .....	41	8
Colorado .....	45	4
Connecticut .....	132	127
Delaware .....	11	2
District of Columbia .....	12	0
Florida .....	33	4
Georgia .....	21	3
Hawaii .....	1	0
Illinois .....	25	2
Indiana .....	2	1
Iowa .....	3	0
Kansas .....	1	0
Kentucky .....	2	0
Louisiana .....	7	0
Maine .....	2	0
Maryland .....	11	2
Massachusetts .....	72	25
Michigan .....	7	0
Minnesota .....	24	0
Missouri .....	16	1
Nebraska .....	31	0
Nevada .....	11	0
New Hampshire .....	1	0
New Jersey .....	51	8
New York .....	384	86
North Carolina .....	21	0
Ohio .....	14	1
Oklahoma .....	13	0
Oregon .....	1	0
Pennsylvania .....	31	3
Rhode Island .....	5	0
South Carolina .....	4	0
Tennessee .....	10	0
Texas .....	28	2
Utah .....	5	0
Vermont .....	5	0
Virginia .....	10	3
Washington .....	10	0
Wisconsin .....	14	0
Bermuda .....	0	1
<b>Totals .....</b>	<b>1,143</b>	<b>282</b>



## SECURITIES

Table No. 53  
TREND IN BROKER-DEALER, INVESTMENT ADVISER AND AGENTS REGISTRATIONS

Year	Broker — Dealers	Percent Increase/ Decrease	Agents	Percent Increase/ Decrease	Investment Advisers	Percent Increase/ Decrease	Investment Adviser Agents	Percent Increase/ Decrease	Agents of Issuer	Percent Increase/ Decrease
1955	251	13.1	1,177	47.3	22	29.4	13	8.3	.....	.....
1960	312	24.3	2,223	88.8	24	8.3	23	77.0	.....	.....
1965	345	10.5	3,268	47.0	42	75.0	62	169.5	.....	.....
1966	346	.0	3,703	13.3	47	11.9	85	37.0	.....	.....
1967	353	2.0	4,112	11.0	56	19.6	110	29.4	.....	.....
1968	390	10.5	5,159	25.7	60	7.1	125	13.6	.....	.....
1969	434	11.3	5,955	15.4	72	20.0	145	16.0	.....	.....
1970	451	3.9	6,429	9.6	81	12.5	171	17.9	.....	.....
1971	464	2.9	6,522	1.4	86	6.2	191	11.7	.....	.....
1972	499	7.5	7,305	12.0	103	19.7	226	18.3	.....	.....
1973	464	(7.0)	7,519	2.9	109	5.8	235	4.0	.....	.....
1974	463	(.2)	7,543	.3	121	11.0	188	22.6	.....	.....
1975	453	(2.2)	7,899	4.7	135	11.6	322	11.8	.....	.....
1976	476	5.1	8,926	13.0	156	15.6	355	10.2	.....	.....
1977	494	3.8	9,611	7.7	186	19.2	383	7.9	3	.....
1978	530	7.3	10,809	12.5	199	7.0	438	14.4	22	63.3
1979	511	(3.6)	11,318	4.7	189	(5.0)	453	3.4	178	254.5
1980	575	12.5	12,962	14.5	193	2.1	495	9.3	136	74.4
1981	647	11.1	14,700	11.8	200	3.5	618	19.9	193	29.5
1982	745	13.2	18,707	21.4	214	6.5	775	20.3	241	19.9
1983	916	22.9	22,587	20.7	263	22.9	1,095	41.2	151	(37.3)
1984	1,154	24.9	28,964	28.0	310	17.9	1,547	41.5	169	11.9

**Table No. 54**  
**ROUTINE EXAMINATIONS**  
**BROKER-DEALERS AND INVESTMENT ADVISERS**

	1984	1983
Broker-Dealers .....	14	22
Investment Advisers .....	30	4

**Table No. 55**  
**REGISTRATIONS FILED AND EFFECTED OF**  
**SECURITIES, TENDER OFFERS AND BUSINESS OPPORTUNITIES**

	Received		Effectuated	
	1984	1983	1984	1983
Securities				
Open End Management Investment Companies . . .	316	288	221	222
Renewals .....	1,454	817	840	737
Unit Investment Trusts .....	1,247	711	730	594
Renewals .....	13	6	13	6
Post-Sale Registrations .....	29	17	29	17
All Others .....	1,281	2,136	1,022	1,470
Total Securities Registrations .....	4,340	3,975	2,855	3,046
Tender Offer Registrations .....	1	0	1	0
Business Opportunity Registrations .....	51	36	37	18
Business Opportunity Renewals .....	19	15	15	6
Exempted Filings .....	4,885	....	4,598	....
Inquiries Received .....	460	....		

**Table No. 56**  
**ENFORCEMENT ACTIVITIES**  
**SECURITIES AND BUSINESS OPPORTUNITIES**

	Securities		Business Opportunities	
	1984	1983	1984	1983
Investigations Opened .....	183	188	16	11
Investigations Closed .....	160	117	8	13
Complaints Processed .....	260	231	0	4
Cease and Desist Orders Issued .....	11	7	1	5
Show Cause Orders Issued .....	11	17	0	1
Revocations Orders Issued — Broker-Dealer .....	0	0	0	....
Denial Orders Issued — Broker-Dealer .....	1	0	N/A	N/A
Subpoenas Issued .....	28	11	0	2
Referrals for Criminal Action .....	3	1	1	0

**Table No. 57**  
**INTERPRETIVE OPINIONS AND EXEMPTION ACKNOWLEDGEMENTS**  
**ISSUED BY COUNSEL:**  
**SECURITIES AND BUSINESS OPPORTUNITIES**

	1984	1983
Securities .....	4,885	3,159
Business Opportunities .....	29	41

**ROSTER**  
**DEPARTMENT OF BANKING**  
**ADMINISTRATIVE DIVISION**

Brian J. Woolf, **Commissioner**

Howard B. Brown, Jr., **Deputy Commissioner**

Marcelyn K. Poppel, **Secretary to the Commissioner**

Ann M. Negrini, **Secretary to the Deputy Commissioner**

Lawrence S. Brick, **Executive Assistant**

Deborah B. Milvae  
**Administrative Secretary**

Robert J. Carragher, **Executive Assistant**

Linda Galanto  
**Administrative Secretary**

Hugh C. McLean, **Senior Economist**

Albert R. Maule, **Administrative Services Officer 3**

Lucinda H. Weiss, **Publicist**

**Staff Assistants**

Fillis W. Stober  
 Banking Senior Adviser

Cynthia E. Antanaitis  
 Banking Adviser

Gayle S. Fierer  
 Banking Adviser

William Nahas, Jr.  
 Banking Adviser

John H. Barton  
 Banking Adviser

Debra L. Patterson  
 Administrative Services Officer 1

Rose A. Austin  
 Personnel Officer

Anne Sblendorio  
 Personnel Assistant

Dorothy N. Stephenson  
 Accountant I

Yvette D. Levesque  
 Business Services Assistant

Susan C. Marrocco  
 Financial Clerk

Mary Beth Anderson  
 Legal Secretary

Janice L. Hitchcock  
 Legal Secretary

Tina M. Daigle  
 Senior Secretary

Olga Cooper  
 Chief Telephone Operator

Frederick A. Bently  
 Undergraduate Intern

Michael S. Combs  
 Messenger & Supply Clerk

**BANK EXAMINATION DIVISION**

Joseph A. Pandiscia  
**Director**

Glenn W. Hayes  
**Assistant Director**

Howard F. Pitkin, Jr.  
**Assistant Director**

**Chief Examiners**

Robert S. Greenwood

Frank R. Kern

William J. MacDonald

**Examiner 4**

Thomas J. Catania  
 Lewis S. Clark  
 James M. Convery  
 Robert L. Ferree  
 Joseph M. Harris

Clifford J. Jones  
 Edward S. Kaliszewski  
 Robert J. Kelly  
 James E. Nichols  
 Andrew J. Paczkowski  
 Clayton L. Parker

Alfred G. Reutter  
 Leonard A. Rich  
 Sebastian F. Scarfe  
 Curtis E. Warren  
 Walter C. Wirsul

**Examiner 3**

John A. Beaty  
 Malcolm G. Campbell  
 Irene A. Costello

Vernelle J. Davis  
 David L. O'Brien  
 Leo J. Pelletier  
 Horace M. Plumb

Eugene L. Terrill  
 Everett T. Whitmore  
 Ronald J. Wood

**Examiner 2**

Robert L. Becker

**Examiner 1**

Frances S. Morocco

**Consumer Information Section**

Barry A. Elliott, **Examiner 4**  
 Judith B. Schmaling, **Consumer Information Representative**  
 Mary C. Divigard, **Examiner 1**

**Accounting Careers Trainee**

Jacquelyn Tordonato

**Connecticut Careers Trainees**

Thomas J. Caruso  
 Thomas E. DiMaio

Terralyn D. Cooper

Joyce A. DeAngelo  
 Barry F. Goldberg

**Staff Assistants**

Maria L. O'Toole, Unit Supervisor

Elizabeth A. Lauretti  
 Statistical Typist

Pamela-Ann T. Bozio  
 Statistical Typist

Leona C. Paradis  
 Senior Clerk

Janice E. Kitching  
 Clerk Typist

**SECURITIES AND BUSINESS INVESTMENTS DIVISION**

Caleb L. Nichols, **Director**

Eric J. Wilder, **Assistant Director**

Ralph A. Lambiase, **Director (Enforcement & Trust)**

**Examiner 4**

Joseph H. Mulvey

Arthur F. Kleffke

Sidney A. Igdalski

**Examiner 3**

Maryellen R. Meara

Margot T. O'Grady

Norma F. Heckendorf

**Examiner 2**

Beth A. Briggs

John P. Walsh

**Examiner 1**

William E. Olesky

**Connecticut Careers Trainees**

Tia B. Damato

Kevin R. Maher

Sylvia A. King

**Accounting Careers Trainee**

Jeffery S. Goodson

**Pre-Professional Trainee**

Naomi C. Church

**Staff Assistants**

Thomas C. Dolan Accountant I	Jean M. Foto, Unit Supervisor	Louise E. Hanson Head Clerk	Ann M. Cody Senior Secretary
Olympia M. Thompson Data Entry Operator	Doris A. Kinsley Senior Clerk	Vera Garrison Clerk Typist	Virginia A. Wagner Senior Clerk
Rose M. Crawley Clerk Typist	Susan H. Morton Clerk Typist	Ellen C. Morrison Clerk Typist	June Christensen Clerk
Milagros Jimenez Clerk Typist			

**CREDIT UNION DIVISION**

Joseph D. Tirinzoni, **Director**  
James F. Abdo, **Assistant Director**

**Examiner 4**

Chester E. Uliasz

Raymond J. Milot

**Examiner 3**

Patricia A. Parzymies

Thomas J. Zaleski

Adeline P. Costa

**Examiner 2**

Robert J. Daly

Russell L. Sarrazin

Moses O. Olasanoye

**Staff Assistants**

Cheryl L. Hawkins Chief Hearing Reporter	Angela M. Russo, Unit Supervisor	Marie A. Arienzale Statistical Typist	Larisa L. Hull Statistical Typist
	Maria E. Collazo Clerk Typist		

**CONSUMER CREDIT DIVISION**

Robert C. Focht, **Director**  
Roger N. LaBonte, **Assistant Director**

**Examiner 4**

Harry S. Donnelly, Jr.

**Examiner 3**

Frank J. Accetura

Bethel A. Ragaglia

**Examiner 2**

Jeffrey W. Hubbell

Robert F. Maloney

Dena L. Wood

**Connecticut Careers Trainee**

Marlene M. Mannix

**Staff Assistant**

Doris Goldstein  
Executive Secretary I