

ANNUAL REPORT

OF THE

Banking Commissioner

OF THE

STATE OF CONNECTICUT

FOR THE YEAR ENDED DECEMBER 31, 1990

HOWARD B. BROWN
BANKING COMMISSIONER

PAUL J. McDONOUGH
DEPUTY COMMISSIONER

The Credit Union Division also successfully completed the requirements for accreditation by NASCUS. This determination was made through an on-site review team. Some of the areas reviewed were adequacy of staff, training, department funding and supervision. Connecticut was the third state in the country to receive NASCUS accreditation.

Deposit Insurance

Share deposits in all state-chartered credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) to a maximum of \$100,000. Connecticut, as of Dec. 31, 1990, was one of 12 states in the country that mandates federal insurance coverage for its credit unions.

Credit unions are required to establish a share insurance deposit with NCUSIF equal to one percent of insured shares. This deposit is recorded as an investment on the books of the credit union. As in previous years, the NCUSIF deposit is adjusted annually and is based on the insured level of deposits as of June 30. Credit unions paid no premium for share insurance coverage to the NCUSIF in 1990. This is the sixth straight year the NCUA board waived the annual insurance premium of 1/12th of 1.0% of credit union deposits.

Federal Credit Unions

In addition to state-chartered credit unions, as of Dec. 31, 1990 there were 195 federal credit unions with total assets of \$2.4 billion, deposits of \$2.2 billion and 726,484 members. Net capital to assets was 7.0% and delinquency loans to total loans was 2.3%. Connecticut federal credit unions are supervised by the NCUA's Region 1 office located in Albany, New York.

SECURITIES AND BUSINESS INVESTMENTS DIVISION

Subject to the general supervision of the Banking Commissioner, the Securities and Business Investments Division is charged with administering Chapter 662 of the Connecticut General Statutes, the Connecticut Uniform Securities Act; Chapter 662a of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act; and Chapter 661 of the Connecticut General Statutes, the Connecticut Tender Offer Act.

The Division is responsible for 1) the registration of securities and business opportunity offerings for sale in Connecticut; 2) broker-dealer, agent, investment adviser, investment adviser agent and broker-dealer and investment adviser branch office registration; 3) the examination of broker-dealer, investment adviser and branch office registrants; and 4) enforcement of the state's securities, business opportunity and tender offer laws.

As of year-end 1990, and excluding vacancies, the division was comprised of a division director, two assistant division directors, one chief examiner, fifteen examiners, two Connecticut Career Trainees and seven support personnel.

Activities

As of year-end 1990, 48,685 individuals were registered to represent broker-dealers in offering and selling securities. This figure represents a 5.4% decline over 1989. The number of registered broker-dealers dropped 3%, from 1,563 in 1989 to 1,517 in 1990. However, the number of registered investment advisers rose 4.1%, from 581 in 1989 to 605 in 1990, and the number of registered investment adviser agents increased by 5.5%, from 2,863 in 1989 to 3,023 in 1990. Also, during 1990, 51 broker-dealer and 18 investment adviser examinations were conducted.

In 1990 the division received a total of 4,098 registration filings for securities to be sold in Connecticut. The number of mutual fund registration filings increased by 19.7% from 334 in 1989 to 400 in 1990. Mutual fund renewal registrations were up approximately 8% from 1989. Although the number of business opportunity registrations decreased from 68 in 1989 to 57 in 1990, the number of business opportunity renewal registrations increased by approximately 44% from 25 in 1989 to 36 in 1990. One filing was received under the Connecticut Tender Offer Act. (See Table 38)

In conjunction with the division's securities enforcement program, 189 investigations were opened in 1990 (up from 176 in 1989), 169 investigations were closed (up from 148 in 1989) and 103 investigations were in progress as of Dec. 31, 1990. Ten cease and desist orders, naming 24 parties, were issued under the Connecticut Uniform Securities Act. In addition, eight denial, suspension and revocation orders, eight cancellation orders, six orders imposing an administrative fine, four criminal referrals and seven civil referrals were made during the year. With respect to the division's business opportunity enforcement program, 42 investigations were opened, 34 investigations were closed and 30 investigations were in progress as of Dec. 31, 1990. Six business opportunity-related cease and desist orders, naming sixteen parties, were issued during the year. Of all the securities and business opportunity related complaints and investigations handled, most were resolved at the administrative level prior to being closed.

Many administrative resolutions of enforcement matters took the form of remedial stipulation agreements and consent orders wherein the division sought corrective measures as well as monetary fines and the reimbursement of investigative costs. For example, 53 Stipulation Agreements, naming 57 parties, were executed in conjunction with securities related matters (see Table 39). The total amount of fines, penalties and costs imposed through administrative fines and informal resolutions of securities and business opportunity related matters totaled \$287,100 (see Table 39). The division found the use of stipulation agreements and consent orders to be an effective supplement to its array of enforcement tools.

**Table No. 35
REGISTRATIONS
BROKER-DEALERS, INVESTMENT ADVISERS AND AGENTS**

	In Effect Dec. 31		Increase	
	1990	1989	1990	1989
Broker-Dealers	1,517	1,563	(3.0%)	.009%
Agents	48,685	51,465	(5.4%)	4.31%
Investment Advisers	605	581	4.1%	7.99%
Investment Adviser Agents.....	3,023	2,863	5.5%	47.26%
Agent of Issuer.....	108	125	(13.6%)	48.5%

	<u>Broker-Dealers</u>	<u>Agents</u>	<u>Investment Advisers</u>	<u>Investment Adviser Agents</u>
Applications:				
Received	292	13,921	118	182
Withdrawn by Request	0	52	0	0
Withdrawn Voluntary.....	250	11,997	5	261
Special Review (Agents)....		84		
Registrations Approved	213	18,004	111	793
Branch Offices.....	149		33	

Table No. 36
TREND IN BROKER-DEALER, INVESTMENT ADVISER AND AGENT 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
1985	1,237	7.2	33,790	16.7	341	10.0	1,798	16.2	194	14.8
1986	1,321	6.8	40,929	21.75	399	17.0	2,286	37.1	254	14.9
1987	1,418	6.7	47,332	15.64	468	17.3	3,645	59.5	258	1.6
1988	1,549	9.2	49,337	4.2	538	15.0	5,429	48.9	222	(14.0)
1989	1,563	.9	51,465	4.3	581	8.0	2,863	(47.3)	125	(48.5)
1990	1,517	(3.0)	48,685	(5.4)	605	4.1	3,023	5.5	108	(13.6)

Table No. 37
ROUTINE EXAMINATIONS
BROKER-DEALERS AND INVESTMENT ADVISERS

	1990	1989
Broker-Dealers	51	26
Investment Advisers	18	17

Table No. 38
REGISTRATIONS FILED AND EFFECTED OF
SECURITIES, TENDER OFFERS AND BUSINESS OPPORTUNITIES

	Received		Effectuated	
	1990	1989	1990	1989
Securities				
Open End Management Investment Companies	400	334	365	279
Renewals	2,351	2,161	2,191	2,072
Unit Investment Trusts	465	570	430	453
Renewals	21	20	15	19
Post-Sale Registrations	6	7	6	7
All Others	855	1,107	709	884
Total Securities Registrations	4,098	4,189	3,716	3,714
Tender Offer Registrations	1	0	1	0
Business Opportunity Registrations	57	68	32	35
Business Opportunity Renewals	36	25	21	19
Exempted Filings	1,601	1,823	1,601	1,823

Table No. 39
ENFORCEMENT ACTIVITIES
SECURITIES AND BUSINESS OPPORTUNITIES

	Securities		Business Opportunities	
	1990	1989	1990	1989
Investigations Opened	189	176	42	47
Investigations Closed	169	148	34	50
Investigations in Progress (Dec. 31)	103	98	30	33
Subpoenas Issued	95	123	8	3
*Cease and Desist Orders Issued	10 (24)	10 (30)	6 (16)	7 (13)
*Denial, Suspension & Revocation Orders	8 (8)	5 (5)	0	0
Cancellation Orders	8	1	N/A	N/A
*Notices of Intent to Fine	3 (4)	5 (51)	2 (5)	1 (2)
*Orders Imposing Fine	6 (6)	1 (1)	1 (3)	0
*Consent Orders	5 (5)	3 (3)	1 (2)	0
*Stipulation Agreements	53 (57)	10 (13)	0	0
Criminal Referrals	4	2	0	0
Civil Referrals (Attorney General)	7	3	0	0
Fines, Penalties & Costs Imposed	\$240,100	\$197,024	\$47,000	0

*Parenthetical number indicates number of parties named in Notice, Order or Stipulation Agreement.

BANKING COMMISSIONER'S REPORT

ROSTER

DEPARTMENT OF BANKING

ADMINISTRATION

Howard B. Brown, Banking Commissioner

Paul J. McDonough, Deputy Banking Commissioner

Jeanne M. Charbonneau
Secretary to the CommissionerMarjorie D. Kagan
Secretary to the Deputy CommissionerRobert J. Carragher
Executive AssistantRobin I. Kroogman
Executive AssistantKathleen A. Enders
Secretary 2Saroja N. Setty
Secretary 2

David Tedeschi, Jr., Communications Officer

Banking Legal Staff

Gayle S. Fierer, Banking Supervising Administrative Attorney

Banking Administrative Attorney 2

Nirja N. Savill

Robert S. Rosenthal

Banking Administrative Attorney 1

Daniel Kitt

John A. Brunjes

Lisa K. MacDonald

Staff Assistants

Tina M. Daigle
Administrative AssistantMary Beth Anderson
Secretary 2Beverly P. Blackstone
Secretary 1

Personnel and Business Office

Charles Fischer, Fiscal/Administrative Manager 1

Debra L. Patterson, Fiscal/Administrative Supervisor

Anne Sblendorio, Personnel Officer 2

Staff Assistants

Dorothy N. Stephenson
AccountantPaul L. Ligas
AccountantYvette D. Levesque
Fiscal/Administrative OfficerVentura Ramos
Fiscal Administrative
AssistantInge E. Simmons
Connecticut Career
TraineeLisa T. Touchette
Accounting Career
TraineeCarmen G. Calderon
Senior ClerkMichael S. Combs
Mail HandlerPaul P. Boccaccio, Jr.
Mail HandlerEustacia G. Williams
Telephone OperatorSallie M. Miller
ClerkIsmael Marrero
Messenger & Supply Clerk

MANAGEMENT INFORMATION SYSTEMS

George T. Roman, Agency Data Processing Manager 1

Clayton L. Parker
Banking Principal Examiner (Gen)James Black, Jr.
Data Processing Application
Systems Analyst 2Joseph E. Kapinos
Computer Programmer
AnalystRhonda L. Foster
Office Automation Systems
Specialist

DEPOSITORY INSTITUTIONS

Joseph A. Pandiscia, Administrator

BANK EXAMINATION DIVISION

Howard F. Pitkin, Jr., Director

Glenn W. Hayes
Assistant DirectorWilliam J. MacDonald
Assistant Director**Banking Supervising Examiner**

Robert S. Greenwood

Frank R. Kern, Jr.

Thomas J. Catania

Consumer InformationBarry A. Elliott
Banking Principal
Examiner (General)Leonard A. Rich
Banking Principal
Examiner (General)Mary C. Divigard
Banking Examiner**Banking Principal Examiner (General)**Lewis S. Clark
Raymond J. Milot
Joseph M. Harris
John A. BeatyClifford J. Jones
Andrew J. Paczkowski
Vernelle J. Davis
Malcolm G. Campbell, Jr.Alfred G. Reutter
Sebastian F. Scarfe
Jacquelyn C. Somerside
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Phyllis S. England-LewisTerralyn D. Cooper
Donald F. Dooling
Randolph J. Connolly, Jr.Joyce A. O'Sullivan
Deborah A. Sementa**Banking Examiner**Frances S. Morocco
Paul D. Lombardo
Cora KeatingMary E. O'Neill
Janis A. Bureau
Cheryl M. SchweighofferDoreen A. Sims
Ann M. Pedevillano
Janice A. Yiznitsky**Connecticut Career Trainee**Richard Cortes
Nathaniel J. HirshLora-Jean Gribko
Mark T. GrayDebora L. Papineau
Cheney R. Eng Tow

Cynthia N. DeRosa

Thomas J. Virga

Accounting Career Trainee

Gregory C. Woodbury

Staff AssistantsMaria L. O'Toole
Administrative AssistantAna M. Ruiz
Secretary IRoger C. Rheaume
Senior ClerkKristine M. Fonte
Clerk Typist**CREDIT UNION DIVISION**Chester E. Uliasz, Director
Thomas J. Zaleski, Assistant Director**Banking Principal Examiner (General)**

Patricia A. Budnick

Adeline P. Costa

Banking Senior Examiner (General)

Jeffrey F. Hackett

Rita R. Redler

Stephanie A. England

Banking Examiner

Moses O. Olasanoye

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Edward Kenefick

Connecticut Career Trainee

Cathleen Carey

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Clerk TypistCarmen M. Calderon
ClerkJudith S. Tillman
Clerk

BANKING COMMISSIONER'S REPORT**SECURITIES AND BUSINESS INVESTMENTS DIVISION**

Ralph A. Lambiase, Director
 Eric J. Wilder, Assistant Director
 Cynthia Antanaitis, Assistant Director

Banking Supervising Examiner (Securities)

Sidney A. Igdalsky

Banking Principal Examiner (Securities)

Margot T. O'Grady, John P. Walsh, William E. Olesky

Banking Senior Examiner (Securities)

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 Kevin R. Maher, Sylvia A. Morgan, Jeffrey S. Goodson
 Salvatore Cannata

Banking Examiner

Naomi C. Church, Lisa Barone, Jean M. Foto
 John A. Horne, Paola Z. Barry

Accounting Career Trainee

Cesar H. Garcia

Connecticut Career Trainee

David M. Jankoski

Staff Assistants

Louise E. Hanson, Dorothy E. Jackson, Virginia A. Wagner
 Secretary 2, Secretary 2, Secretary 1
 Olympia M. Thompson, June R. Christensen, Judith A. Mercier
 Senior Clerk, Senior Clerk, Clerk Typist
 Sharada Kanive, Clerk Typist

CONSUMER CREDIT DIVISION

Robert C. Focht, Director
 William Nahas, Jr., Assistant Director

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Harry S. Donnelly, Jr.

Banking Senior Examiner (Consumer Credit)

Frank J. Accetura, Dena L. Wood
 Jeffrey W. Hubbell, Marlene M. Mannix

Banking Examiner

Anne E. Sponzo

Connecticut Career Trainee

Susan K. Glasser

Staff Assistants

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 Olive R. Mihm, Clerk Typist
 Maria C. Burgos, Clerk Typist