



STATE OF CONNECTICUT
 DEPARTMENT OF BANKING
 SECURITIES AND BUSINESS INVESTMENTS DIVISION
 44 CAPITOL AVENUE • HARTFORD, CT 06106



SECURITIES AND BUSINESS INVESTMENTS DIVISION

BULLETIN

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A WORD FROM THE BANKING COMMISSIONER

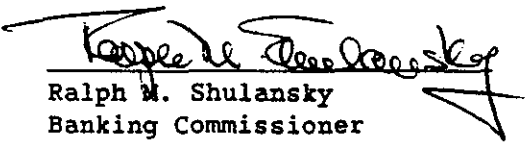
Fraud and manipulation in the penny stock market have cost U.S. investors an estimated one billion dollars annually throughout the 1980s. Despite some progress, penny stock fraud still poses a significant risk to investors. Complaints about penny stock sales constitute the largest percentage of broker-dealer related complaints now received by the department's Securities and Business Investments Division.

The United States General Accounting Office (GAO) recently released a report entitled "Penny Stocks - Regulatory Actions to Reduce Potential for Fraud and Abuse." The report contains suggestions on regulatory policy which we find appropriate and laudable. In a sometimes critical analysis of National Association of Securities Dealers (NASD) oversight of the area (an analysis which the NASD agreed was fair and accurate), the GAO concluded that well-informed investors are the best weapon against penny stock fraud. The report added that the NASD should develop a plan for regular on-site examinations of branch offices that would detect potentially fraudulent practices. State regulators, including Connecticut, are already pursuing those measures recommended by the GAO. As the Connecticut General Assembly's Legislative Program Review and Investigations Committee recently noted in an independent evaluation of this department's overall performance, the Securities and Business Investments Division, in scheduling main office and branch office examinations, "gives priority to firms and agents handling controversial product lines, such as penny stocks, or targeting a vulnerable client group, such as the elderly." The Division believes that branch examinations are an important means of screening penny stock firms for sales practice violations; accordingly, it has increased the frequency of such examinations over the last year.

The GAO also stated that the NASD's failure to make certain information concerning broker-dealers available to investors through its toll-free telephone hotline (800-289-9999) could mislead investors into assuming that particular firms had not been involved in material proceedings. The NASD's Board of Governors announced in January of this year that, pending SEC approval, securities-related civil judgments, pending formal disciplinary proceedings initiated by the SEC, the NASD, other self-regulatory organizations and the states, arbitration decisions, and criminal indictments would be disclosed to the public, possibly as early as this spring or summer. Previously, only final disciplinary actions and certain criminal convictions involving NASD-registered firms and agents had been disclosed. Significantly, Connecticut and other states are also working to make disciplinary and arbitration award information more freely available to the public. We applaud the GAO's validation of this service.

As part of the agency's investor education program, we are also making available without charge and for use on a temporary basis a videotape entitled "Calling for Your Dollars." The videotape warns potential investors about "boiler rooms" and the use of high-pressure, unsolicited telephone sales pitches to promote questionable investments and perpetrate penny stock fraud.

Hopefully, continued regulatory and educational efforts at both the state and national levels will reduce problems with penny stock abuse and protect investors against unwarranted risks.


Ralph M. Shulansky
Banking Commissioner

COMMISSIONER'S AUTHORITY TO ISSUE INVESTIGATORY SUBPOENAS UPHOLD

On February 24, 1993, the Superior Court for the Judicial District of Hartford/New Britain rejected a challenge to two investigatory subpoenas issued by the Commissioner (Shulansky v. Lincoln Madison Consolidated Corporation, No. 70 34 89; Shulansky v. Cambridge-Newport Financial Services Corporation, No. 70 34 90). The Commissioner had sought to enforce the subpoenas which were issued under Section 36-495 of The Connecticut Uniform Securities Act. Defendants, however, claimed that 1) the Commissioner could not validly subpoena corporate records if the subject of the subpoena was not licensed under The Connecticut Uniform Securities Act; and 2) the Commissioner could not use his subpoena power under Section 36-495(b) to determine whether the defendants were subject to regulatory jurisdiction since such use of the subpoena power allegedly violated the defendants' right to due process under the Fourteenth Amendment to the United States Constitution and Article I, Section 10 of the Connecticut Constitution.

As to the first issue, the court noted that, in cases to enforce investigatory subpoenas, the initial determination of statutory coverage was to be made by the administrative agency rather than the courts. Describing the defendants' position as "ludicrous," Judge Aurigemma remarked, "[i]f the Commissioner were able to investigate only those persons he has licensed, then he would be unable to discover any facts which would enable him to bring enforcement actions against those who sell securities in Connecticut without a license." The court also observed that the defendants had not claimed that the materials requested pursuant to the subpoenas were not relevant to the investigation, that compliance was burdensome or that the subpoenas were vague with respect to the materials requested.

Insofar as the second due process issue was concerned, the court noted that "[p]rior to conducting an investigation the Commissioner is clearly not in a position to give the defendant notice of 'the facts or conduct alleged to be in violation of the law.' [citation omitted] Based on the foregoing, there is no deprivation of due process rights of the defendant[s] during the investigation arising out of a failure to inform the defendant[s] of the specific nature of the suspected violations."

The court also concluded that no evidence had been presented to rebut the presumption that the subpoenas were issued in good faith and for a proper purpose. That being the case, both defendants were ordered to comply with the subpoenas.

ENFORCEMENT HIGHLIGHTS

ADMINISTRATIVE SANCTIONS

STIPULATION AND AGREEMENTS

Equico Securities, Inc.

On January 4, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Equico Securities, Inc. of 1755 Broadway, New York, New York. Equico Securities Inc. is a subsidiary of Equitable Life Assurance Society. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which revealed indications that agents associated with the firm effected securities transactions which were not recorded on the firm's books. If proven, such conduct would constitute a basis for the suspension or revocation of the firm's broker-dealer registration under Section 36-484(a) of The Connecticut Uniform Securities Act.

While neither admitting nor denying any wrongdoing, Equico Securities, Inc. agreed as part of the Stipulation and Agreement to review, revise and enforce its supervisory and compliance procedures to prevent and detect future regulatory violations. In addition, the firm represented that an experienced person previously unaffiliated with the firm, its parent or their affiliates would assume the position of Chief Compliance Officer on January 4, 1993; the new Chief Compliance Officer would review the firm's supervisory policies, practices and procedures insofar as they pertained to sales and prepare a written report with recommendations to be submitted to the Division Director by March 31, 1993. The firm also agreed to a thirty day implementation schedule with respect to the recommendations contained in the report. In addition, the firm agreed to pay the cost, not to exceed \$5,000, of one or more examinations to be conducted by the Division within eighteen months following the Commissioner's execution of the Stipulation and Agreement. Finally, the firm agreed to pay the agency \$25,000, \$17,500 of which represented a civil penalty and \$7,500 of which represented reimbursement for investigative costs.

Westminister Securities Corporation

On January 11, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Westminister Securities Corporation of 19 Rector Street, New York, New York. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which uncovered evidence that from August 1990 through January 1992, the firm transacted business as a broker-dealer absent registration under The Connecticut Uniform Securities Act and employed unregistered agents.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review and modify its supervisory and compliance procedures to prevent and detect regulatory violations; and 2) pay \$1,250 to the agency, \$500 of which represented a civil penalty and investigative costs and \$750 of which constituted payment for uncollected registration fees during the period of unregistered activity.

Sisung Securities Corporation

On January 25, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Sisung Securities Corporation of Manhattan Place, 2439 Manhattan Boulevard, Harvey, Louisiana. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which revealed that between July 1992 and September 1992, the firm transacted business as a broker-dealer absent registration under The Connecticut Uniform Securities Act and employed unregistered agents.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review and modify its supervisory and compliance procedures to prevent and detect future regulatory violations; 2) pay \$100 to the agency representing uncollected registration fees during the period of unregistered activity; and 3) obtain written notification from its existing Connecticut clients indicating that they had suffered no adverse consequences as a result of the firm's non-registration in the state.

Gary Richard Sciarrillo

On February 1, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Gary Richard Sciarrillo. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which uncovered evidence that, in or about 1990, Sciarrillo, in purported contravention of Sections 36-485 and 36-474(a) of The Connecticut Uniform Securities Act, solicited investors for the purpose of obtaining "seed capital" for various real estate limited partnerships denominated as Real Estate Equity Assistance Programs and sponsored by William D. Carlucci. Carlucci was the subject of a department cease and desist order issued on May 28, 1992; that order became permanent on June 23, 1992 since Carlucci did not request a hearing within the prescribed time period.

Pursuant to the Stipulation and Agreement, Sciarrillo agreed to 1) refrain from regulatory violations; 2) for twelve months, refrain from transacting business in Connecticut as a broker-dealer, investment adviser, investment adviser agent or as an agent of a broker-dealer or issuer; and 3) for twelve months, notify the Division in writing of any oral or written complaints concerning securities relating to him or to any entity in which he had a controlling interest. In addition, the Stipulation and Agreement prohibited Sciarrillo for twelve months from directly or indirectly soliciting or accepting funds for investment purposes from public or private investors within or from Connecticut without consulting with legal counsel and notifying the Division in writing of such proposed activities at least thirty days prior to the solicitation or acceptance of funds,

whichever occurred first. The Stipulation and Agreement also prohibited Sciarrillo for twelve months from acting as a finder for compensation, splitting commissions or receiving referral fees in conjunction with the offer, sale or purchase of securities or the rendering of investment advice on securities.

Morse, Williams & Co., Inc.

On February 19, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Morse, Williams & Co., Inc. of 230 Park Avenue, New York, New York. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which disclosed that during 1991 and 1992, the firm transacted business as an investment adviser absent registration under The Connecticut Uniform Securities Act.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review its supervisory and compliance procedures to detect and prevent regulatory violations; and 2) pay \$1,500 to the agency, \$1,300 of which represented a civil penalty and \$200 of which represented uncollected registration fees during the period of unregistered activity.

Titan Value Equities Group, Inc.

On February 23, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Titan Value Equities Group, Inc. ("Titan") of 17852 Seventeenth Street, Tustin, California. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which revealed indications that from approximately November 1990 to August 1991, Michael T. McElduff, Jr., while acting as a registered agent of Titan and under the firm's supervision and control, represented to at least ten Connecticut residents that he would effect purchases of securities issued by various investment companies and limited partnerships. The Division uncovered evidence suggesting that McElduff failed to forward approximately \$163,000 of investor funds to any securities issuer or to his employing broker-dealers and allegedly misappropriated investor funds by failing to return any portion thereof to investors.

In furtherance of its desire to informally resolve the matter with the agency, Titan provided documentation indicating that it had voluntarily reimbursed investors approximately \$163,000. The Stipulation and Agreement included an undertaking by Titan to reimburse any sufficiently documented future complaints against McElduff in the same manner.

Pursuant to the Stipulation and Agreement, Titan further agreed to 1) review its supervisory and compliance procedures and implement necessary modifications thereto to prevent and detect regulatory violations; 2) conduct annual compliance audits of its Connecticut branch offices for a two year period and file copies of the audit reports with the Division; 3)

for a two year period, notify the Division in writing on a quarterly basis of any written securities complaints (including the disposition thereof) received from Connecticut residents; and 4) reimburse the agency \$5,000 for its costs of investigation.

Oakwood Counselors, Inc.

On March 3, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Oakwood Counselors, Inc. of 50 Highway Nine, Morganville, New Jersey. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which disclosed that between May 1989 and January 1992, the firm transacted business as an investment adviser absent registration under Section 36-474(c) of The Connecticut Uniform Securities Act.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review its supervisory and compliance procedures to detect and prevent regulatory violations; and 2) pay a \$750 civil penalty to the agency.

James C. Edwards & Co., Inc.

On March 16, 1993, the Banking Commissioner entered into a Stipulation and Agreement with James C. Edwards & Co., Inc. of 805 Third Avenue, New York, New York. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which revealed indications that between 1978 and 1993, the firm transacted business as an investment adviser absent registration under Section 36-474(c) of The Connecticut Uniform Securities Act.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review its supervisory and compliance procedures to detect and prevent regulatory violations; and 2) pay \$4,500 to the agency, \$3,000 of which represented payment of back uncollected registration fees during the period of unregistered activity and \$1,500 of which represented reimbursement for the Division's costs of investigation. In addition, the firm agreed to contribute \$5,000 to the department's Securities Investor Education Fund and reimburse the department for the cost of an examination to be conducted within eighteen months following the Commissioner's execution of the Stipulation and Agreement.

Cardinal Investment Company, Inc.

On March 25, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Cardinal Investment Company, Inc. of 500 Crescent Court, Suite 250, Dallas, Texas. The Stipulation and Agreement followed a Securities and Business Investments Division investigation which uncovered evidence that between January 1990 and May 1992, the firm transacted business as a broker-dealer absent registration under Section 36-474 of The Connecticut Uniform Securities Act.

Pursuant to the Stipulation and Agreement, the firm agreed to 1) review and modify its supervisory and compliance procedures to prevent and detect regulatory violations; 2) receive written notification from existing Connecticut brokerage clients that they suffered no adverse consequences as a result of the firm's failure to register in the state; and 3) reimburse the agency \$500 for back uncollected registration fees during the period of unregistered activity.

Pasquale J. Sacchetta

On March 25, 1993, the Banking Commissioner entered into a Stipulation and Agreement with Pasquale J. Sacchetta (CRD number 1264356) of Bristol, Connecticut. Sacchetta, an agent of the brokerage firm Cambridge-Newport Company, Inc. (CRD number 18887), was the subject of a September 8, 1992 Notice of Intent to Revoke registration as an agent. The Notice of Intent to Revoke had been based on allegations that, from approximately June 1987 to June 1991, Sacchetta wilfully violated Section 36-485 of The Connecticut Uniform Securities Act by offering and selling unregistered notes issued by Lincoln-Madison Consolidated Corporation and/or its predecessor, Cambridge-Newport Consolidated Corporation, to Connecticut persons. The Notice also alleged that such transactions were not submitted for recording on the records of Cambridge-Newport Company, Inc. and that this constituted a dishonest or unethical practice under Section 36-484(a)(2)(H) of the Act and Section 36-500-15(a)(2)(H)(i)(bb) of the Regulations thereunder.

In consideration of his decision to enter into the Stipulation and Agreement, the Commissioner acknowledged that Lincoln-Madison Consolidated Corporation had made a partial payment of \$5,000 to a Connecticut note purchaser. Pursuant to the Stipulation and Agreement, Sacchetta agreed to a restriction from applying for registration as an agent under the Act; the restriction would commence on March 25, 1993 and terminate on April 1, 1996. If, however, the obligations to the Connecticut note purchaser were resolved to her written satisfaction or the written satisfaction of her estate prior to April 1, 1996, the restriction period would terminate on the date the Commissioner received an original or a true copy of the writing evidencing such satisfaction.

The Stipulation and Agreement also restricted Sacchetta from acting as a Connecticut principal of a Connecticut-registered broker-dealer from March 25, 1993 to April 1, 1998 and from exercising any supervisory authority with such broker-dealer during that period. Sacchetta was also restricted from acting as a control person of any Connecticut registered broker-dealer during that time frame. The Stipulation and Agreement contained a proviso that if the obligations to the Connecticut note purchaser were resolved to her written satisfaction or the written satisfaction of her estate prior to April 1, 1998, the restriction period would end on the date the Commissioner received an original or a true copy of the writing evidencing such satisfaction, but no earlier than April 1, 1996.

Finally, the Stipulation and Agreement provided that its restrictions would not prevent or apply to Sacchetta's direct or indirect ownership of up to five percent of the outstanding voting securities of any Connecticut registered broker-dealer.

LICENSING ACTIONS

Cambridge-Newport Company, Inc. - Broker-Dealer Registration Revoked

On February 3, 1993, the Commissioner entered an order revoking the broker-dealer registration of Cambridge-Newport Company, Inc. of 530 Silas Deane Highway, Wethersfield, Connecticut. The order was predicated on findings that the firm 1) wilfully violated Section 36-500-8(b)(1) of the Regulations under The Connecticut Uniform Securities Act by failing to have and maintain the minimum net capital prescribed by Rule 15c3-1 under the Securities Exchange Act of 1934; 2) withheld, concealed or refused to furnish material information in connection with a Division examination and investigation; 3) misrepresented its financial position; 4) wilfully failed to comply with Section 36-482(c) of the Act and Section 36-500-13(a)(1) of the Regulations thereunder by not having certain cancelled checks available for inspection by Division employees at the firm's place of business; and 5) failed to supervise agents who effected securities transactions which were not submitted for recording on the firm's records. Although the firm was provided with an opportunity for a hearing and did in fact request one, such hearing request was subsequently withdrawn by the respondent.

Eric J. Youngquist - Agent Registration Revoked

On February 3, 1993, the Commissioner entered an order revoking the registration of Eric J. Youngquist as an agent of Cambridge-Newport Company, Inc., a broker-dealer. Youngquist was also senior vice president of the firm. The order was based on findings that, from approximately January 1988 to January 1991, Youngquist wilfully violated Section 36-485 of The Connecticut Uniform Securities Act by offering and selling unregistered investment contracts issued by Lincoln-Madison Consolidated Corporation and/or its predecessor, Cambridge-Newport Consolidated Corporation, to Connecticut persons. The Commissioner also found that such transactions were not submitted for recording on the records of Cambridge-Newport Company, Inc. and that this constituted a dishonest or unethical practice under Section 36-484(a)(2)(H) of the Act and Section 36-500-15(a)(2)(H)(i)(bb) of the Regulations thereunder. Although Mr. Youngquist initially requested a hearing on the matter, that request was later withdrawn by the respondent.

CRIMINAL MATTERS

The Securities and Business Investments Division works closely with criminal law enforcement agencies, notably the Office of the Chief State's Attorney, in exacting compliance with the state's securities laws. This quarter was marked by four successful prosecutions:

Anthony R. Raucci, Jr. Sentenced

On January 8, 1993, Anthony R. Raucci, Jr., now or formerly of Southington, Connecticut was sentenced following an October 7, 1992 guilty plea in Hartford Superior Court to two counts of Larceny in the First Degree and one count of Sale of Unregistered Securities. Raucci will serve two years for selling unregistered securities and ten years, execution suspended after serving five years, with five years probation, for engaging in larceny. The sentences will run concurrently.

On November 6, 1991, Raucci had been arraigned on nine counts of first-degree larceny, eight counts of fraudulent sale of securities, eight counts of sale of unregistered securities and failure to register as a broker-dealer. The larceny charges against Raucci, who purportedly did business under various corporate names, including Advisory Services, Vintage Trading Group, Inc., C.B.A. Trading Group, Ltd. and C.B.A., Inc., had stemmed from the alleged misappropriation of funds entrusted to him by employees of the Hartford Board of Education for investment in tax sheltered annuities. The securities-related charges had been based on Raucci's alleged offer and sale of demand notes or "agreements" for the purpose of financing the importation of Mexican shrimp, the production of latex gloves or gas masks and the financing of a Southington, Connecticut factory.

Michael Joseph Harkin, Jr. Sentenced

On February 11, 1993, Michael Joseph Harkin, Jr. a/k/a Michael Harkin, now or formerly of Killingworth, Connecticut, was sentenced following an earlier guilty plea to two counts of Larceny in the First Degree and one count of Sale of Unregistered Securities. Harkin was sentenced to serve eight years, execution suspended after one year and three years probation, on each of the larceny counts. In addition, Harkin was sentenced to serve one year on the sale of unregistered securities count. The sentencing also included five years, execution suspended after one year, and three years probation for issuing a bad check. All sentences would run concurrently. As a special condition of probation, Harkin was required to pay full restitution of \$39,100.

The charges against Harkin stemmed from activities allegedly occurring in June, October and November, 1990. Mr. Harkin was the president of National Resources, Inc., now or formerly of 175 North Main Street, Branford, Connecticut and held a secondary mortgage loan license. Harkin had purportedly solicited investors to purchase promissory notes, evidences of indebtedness and investment contracts. Although investor

monies allegedly were to be used by Harkin to finance second mortgage loans to third parties, the funds were purportedly used instead for Harkin's personal use, with investors not realizing any return of principal or interest.

James F. Schmidt Convicted After Jury Trial; Sentence Imposed

On January 19, 1993, James F. Schmidt, now or formerly of Glastonbury, Connecticut, was convicted following a jury trial of one count of first degree larceny and one count of securities fraud (Docket No. CR92-125287). On March 19, 1993, Schmidt was sentenced to ten years, execution suspended after six years served, with five years probation on the larceny conviction and ten years, execution suspended after six years, with five years probation on the securities fraud conviction. The sentences would run concurrently, resulting in an effective sentence of ten years, execution suspended after six years served and five years probation. Schmidt was also ordered to repay \$18,000 at the rate of \$300 per month during his probationary period; for any month that he failed to make payment, he would be required to perform 60 hours of community service for that month.

Schmidt had been charged in connection with activities allegedly occurring between March and December 1988. Mr. Schmidt allegedly did business under the name Lake Forest Development Co. and was the sole shareholder of Middletown Investment Company, formerly a Connecticut corporation. Schmidt also allegedly was the vice-president of Monterey Investment Properties, Inc. The arrest warrant application had alleged that Mr. Schmidt diverted to his own use and the use of CFM of Connecticut Inc., an unrelated business operated by Schmidt, funds remitted to him for investment in Adams-Middle Turnpike Venture, a limited partnership.

Michael T. McElduff, Jr. Sentenced

On March 25, 1993, Michael T. McElduff, Jr., now or formerly of Vernon, Connecticut, was sentenced on several counts of first degree larceny and fraud in the sale of securities (Docket numbers CR19-47895, CR12-124238, CR19-47203, CR13-89168 and CR15-138102). The total effective sentence was ten years, with execution suspended after serving three years, and five years probation. As a condition of probation, McElduff was required to make restitution of \$1,100 per month commencing one month after his release from prison and to participate in psychiatric and psychological treatment as recommended by the Department of Adult Probation. McElduff, president and director of More Associates, Inc., a Connecticut financial planner based in Coventry, Connecticut, allegedly misappropriated approximately \$165,000 in investor funds.

QUARTERLY STATISTICAL SUMMARY

January 1, 1993 through March 31, 1993

<u>REGISTRATION</u>	<u>Securities</u>	<u>Business Opportunities</u>	<u>YTD</u>
Total Coordination (Initial & Renewal)	1,468	n/a	1,468
- (Investment Co. Renewals 799)			
- (All Other Coordinations 669)			
Qualification (Initial)	3	n/a	3
Qualification (Renewal)	0	n/a	0
Regulation D Filings	342	n/a	342
Other Exemption or Exclusion Notices	56	25	56 (SE) 25 (BO)
Business Opportunity (Initial)	n/a	10	10
Business Opportunity (Renewal)	n/a	6	6

LICENSING & BRANCH OFFICEREGISTRATION

	<u>Broker- Dealers</u>	<u>Investment Advisers</u>	<u>Issuers</u>	<u>YTD</u>
Firm Initial Registrations Processed	73	50	n/a	73 (BD) 50 (IA)
Firms Registered as of 3/31/93	1,611	817	n/a	n/a
Agent Initial Registrations Processed	6,704	509	53	6,704 (BD) 509 (IA) 53 (IS)
Agents Registered as of 3/31/93	56,319	6,063	160	n/a
Branch Office Registrations Processed	35	10	n/a	35 (BD) 10 (IA)
Branch Offices Registered as of 3/31/93	635	145	n/a	n/a
Examinations Conducted	19	26	0	19 (BD) 26 (IA) 0 (IS)

INVESTIGATIONS

	<u>Securities</u>	<u>Business Opportunities</u>	<u>YTD</u>
Investigations Opened	32	43	32 (SE) 43 (BO)
- Referred from Attorney General	1	2	
- Referred from Other Agencies	3	0	
Investigations Closed	49	27	49 (SE) 27 (BO)
Investigations in Progress as of 3/31/93	44	37	n/a
Subpoenas Issued	5	2	5 (SE) 2 (BO)

ADMINISTRATIVE
ENFORCEMENT ACTIONS

	<u>Number</u>	<u>Parties</u>	<u>YTD (#/Parties)</u>
<u>Securities</u>			
Stipulation and Agreements	10	10	10/10
Cease and Desist Orders	0	0	0
Denial, Suspension & Revocation Orders	2	2	2/2
Other Notices and Orders	0	0	0
Referrals (Civil)	0	0	0
Referrals (Criminal)	2	2	2/2

Business Opportunities

Cease and Desist Orders	0	0	0
Other Notices and Orders	0	0	0
Stipulation and Agreements	0	0	0
Referrals (Civil)	0	0	0
Referrals (Criminal)	0	0	0

MONETARY SANCTIONS

	<u>\$ Assessed</u>	<u>YTD</u>
Stipulation and Agreements		
- Securities	43,600	43,600
- Business Opportunities	0	0
	<hr/>	<hr/>
Totals	43,600	\$ 43,600

PUBLIC REIMBURSEMENT FOLLOWING INFORMAL DIVISION INTERVENTIONVoluntary Restitution Offers; Other Monetary Relief

		<u>YTD</u>
<u>Securities:</u>	740,031	740,031
<u>Business Opportunities:</u>	30,900	30,900
	<hr/>	<hr/>
Totals	770,931	770,931

SECURITIES BULLETIN DATA CHANGE FORM

ARE OUR RECORDS CORRECT?

Address or name changes may be made by using this form or by forwarding notice of the change to the Division. Be sure to include both old and new information as well as zip code number. Allow approximately four weeks for the change to be processed.

Data changes should be directed to the attention of Louise Hanson, State of Connecticut Department of Banking, Securities and Business Investments Division, 44 Capitol Avenue, Hartford, Connecticut 06106 (tel: 203-566-4560).

Check whichever applies: () Name change () Address change

- Please check: () Broker-dealer
() Broker-dealer agent
() Investment adviser (including financial planners)
() Investment adviser agent
() Other

Revised Name and/or Address

Name of contact person _____
Firm or entity _____
Street address _____
City/Town _____
State and Zip _____
Telephone () _____

Previous Name and/or Address

Former contact person _____
Former firm or entity _____
Old street address _____
Former city/town _____
Former state and zip _____
Telephone () _____

CAUTIONARY NOTE: Filing a name/address change may also require the filing of an amendment to your registration as a broker-dealer, investment adviser or branch office. This form **CANNOT** be used to meet your obligation to file the appropriate amendment.