

DISCIPLINARY ACTIONS

Disciplinary Actions Reported For December

NASD Regulation, Inc. (NASD RegulationSM) has taken disciplinary actions against the following firms and individuals for violations of National Association of Securities Dealers, Inc. (NASD[®]) rules; federal 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, December 15, 1997. The information relating to matters contained in this *Notice* is current as of the end of November 21.

Firms Fined, Individuals Sanctioned

Aspen Capital (Denver, Colorado) and **Stephen B. Carlson (Registered Principal, Denver, Colorado)** were fined \$10,000, jointly and severally, and Carlson was barred from association with any NASD member in any capacity. The National Business Conduct Committee (NBCC) imposed the sanctions following appeal of a Denver District Business Conduct Committee (DBCC) decision. The sanctions were based on findings that Carlson, acting for himself and on behalf of the firm, attempted to obtain stock at below market prices by means of threats, intimidation and coercion.

Carlson has appealed this action to the Securities and Exchange Commission (SEC) and the sanctions, other than the bar, are not in effect pending consideration of the appeal.

Firms And Individuals Fined

L. H. Friend, Weinress, Frankson & Presson, Inc. (Irvine, California) and **Larry H. Friend (Registered Principal, Newport Beach, California)** submitted an Offer of Settlement pursuant to which they were fined \$30,000, jointly and severally. Without admitting or denying the allegations, the respondents consented to

the described sanction and to the entry of findings that the firm did not possess the account documentation required by the NASD's Free-Riding and Withholding Interpretation to demonstrate that 23 accounts were not restricted from purchasing shares in an initial public offering. The findings also stated that Friend failed to establish, implement, and enforce reasonable supervisory procedures designed to prevent the above violations.

Firms Fined

Dean Witter Reynolds, Inc. (New York, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which the firm was fined \$13,000. Without admitting or denying the allegations, the firm consented to the described sanction and to the entry of findings that it failed to designate as late to the Automated Confirmation Transaction ServiceSM (ACTSM) transactions in listed and Nasdaq[®] securities. The NASD also found that the firm failed to report to ACT the correct price of transactions in listed securities, failed to time stamp the time of execution on order tickets, and failed to contemporaneously execute shares of customer limit orders after it bought shares of stock for its own market-making account. Furthermore, the NASD determined that the firm failed to establish, maintain, and enforce written supervisory procedures reasonably designed to achieve compliance with the applicable securities laws and regulations regarding trade reporting and the limit order protection interpretation.

Gerard, Klauer, Mattison & Co., Inc. (New York, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which the firm was fined \$15,000. Without admitting or denying the allegations, the firm consented to the described sanction and to the entry of findings

that it failed to report to ACT the contra side executing broker in transactions in eligible securities and failed to accept or decline a transaction in an eligible security within 20 minutes after execution. The findings also stated that the firm reported to ACT the incorrect symbol indicating whether one transaction in an eligible security was as principal or agent, and failed to show on memoranda of broker orders the terms and condition of each such order or instructions and any modification or cancellation thereof, the account for which entered, the time of the entry, the price at which executed and, to the extent feasible, time of execution or cancellation. Furthermore, the NASD determined that the firm failed to establish, maintain, and enforce written supervisory procedures reasonably designed to achieve compliance with the applicable securities laws and regulations regarding trade reporting and record keeping.

Oppenheimer & Co., Inc. (New York, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which the firm was fined \$14,000. Without admitting or denying the allegations, the firm consented to the described sanction and to the entry of findings that it designated as late to ACT 25 block transactions in Nasdaq National Market[®] securities, and failed to provide written notification disclosing to its customer that the price at which each such transaction took place was at an average price. The findings also stated that the firm failed to indicate on order tickets the terms, conditions, or instructions of each such order, and failed to contemporaneously execute customer limit orders after it traded each such subject security for its own market-making account at a price that would satisfy each such customer limit order. Furthermore, the NASD found that the firm failed to establish, maintain, and enforce written supervisory procedures reason-

ably designed to achieve compliance with the applicable securities laws and regulations regarding trade reporting, the limit order protection interpretation, and record keeping.

Individuals Barred Or Suspended
Michael Ray Anderson (Registered Representative, Ambia, Indiana)

submitted an Offer of Settlement pursuant to which he was fined \$226,000, barred from association with any NASD member in any capacity, and required to pay \$9,046 in restitution. Without admitting or denying the allegations, Anderson consented to the described sanctions and to the entry of findings that, in connection with the purchase and sale of securities in the form of variable annuity life insurance products, he received \$124,400 from public customers. The NASD determined that contrary to the customers' instructions, and without their knowledge or consent, Anderson retained \$44,440 for some purpose other than the benefit of the customers. The findings also stated that Anderson submitted to his member firm five disbursement request forms that caused a total of \$849 to be disbursed from insurance policies owned by a public customer and used the funds to make premium payments on a variable annuity life insurance product that the customer had requested to be canceled, all without the customer's knowledge or consent.

Edward Azrilyan (Registered Representative, Cedarhurst, New York)

was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Azrilyan failed to respond to NASD requests for information.

Michael J. Baker (Registered Representative, Beverly Hills, California) submitted an Offer of Settlement 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, Baker consented to the described sanctions and to the entry of findings that he effected unauthorized purchases of securities in the accounts of public customers. The findings also stated that Baker exercised discretion in the accounts of public customers without having a signed discretionary agreement giving him such authorization. Furthermore, the NASD found that Baker established a fictitious securities account in the name of public customers, used a customer's address, social security number, and telephone number, and purchased shares of common stock without the knowledge or authorization of the customers.

Jimmy Berkovich (Registered Representative, Brooklyn, New York)

was fined \$10,000 and suspended from association with any NASD member in any registered capacity for one year. The sanctions were based on findings that Berkovich failed to timely respond to NASD requests for information.

Phillip J. Booth (Registered Representative, Floyds Knobs, Indiana)

submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$200,000, barred from association with any NASD member in any capacity, and ordered to pay \$40,000 in restitution to a member firm. Without admitting or denying the allegations, Booth consented to the described sanctions and to the entry of findings that he received from a public customer a \$40,000 check by misrepresenting to the customer that the funds were to be used to purchase an annuity for the customer. The NASD found that Booth failed and neglected to purchase the annuity, and instead converted the funds to his own use and benefit by endorsing the check and

depositing it into his personal bank account, without the customer's knowledge or consent.

Aron Oleg Bronstein (Registered Principal, Brooklyn, New York) 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 30 days. Without admitting or denying the allegations, Bronstein consented to the described sanctions and to the entry of findings that he submitted orders for purchases of stock for fictitious customer accounts.

Daniel Lee Cheloha (Registered Representative, Omaha, Nebraska) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Cheloha failed to respond to NASD requests for information.

Gerald Arthur Christensen (Registered Representative, Sterling Heights, Michigan) submitted an Offer of Settlement 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, Christensen consented to the described sanctions and to the entry of findings that he participated in the offer and sale of securities to public customers on a private basis and in connection therewith, failed and neglected to provide written notice to, and receive written authorization from, his member firm to engage in such activities.

John S. Claudino (Registered Representative, Brooklyn, New York) submitted an Offer of Settlement pursuant to which he was fined \$10,000, suspended from association with any NASD member in any capacity for 30 days, and required to requalify by exam as a general securities repre-

sentative. Without admitting or denying the allegations, Claudino consented to the described sanctions and to the entry of findings that he executed unauthorized purchase and sale transactions in the account of a public customer without the knowledge or consent of the customer. The findings also stated that Claudino failed to respond timely to NASD requests for information.

Peter M. Delseni (Registered Representative, Brooklyn, New York) was fined \$50,000, barred from association with any NASD member in any capacity, and required to pay \$9,626.05 in restitution to his customers. The sanctions were based on findings that Delseni received commissions on sales of securities to retail customers that were excessive and unfair.

Weidi Feng (Registered Representative, Elmhurst, New York) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Feng, while taking the Series 7 exam, had in his possession notes that contained information relevant to the exam. Feng also failed to respond to NASD requests to appear for on-the-record interviews.

Randall Scott Ferman (Registered Representative, Flanders, New Jersey) submitted an Offer of Settlement pursuant to which he was suspended from association with any NASD member in any capacity for 20 business days and ordered to requalify by exam as a general securities representative. Without admitting or denying the allegations, Ferman consented to the described sanctions and to the entry of findings that he recommended and executed transactions in the account of a public customer without having a reasonable basis for believing that such recommendations were suitable for the cus-

tomor or for believing that opening and maintaining a margin account was suitable for the customer based on the customer's financial situation, needs, investment objectives, and investment experience. The findings also stated that Randall made misrepresentations to a public customer in connection with a loan he had requested for the customer. Furthermore, the NASD determined that Ferman engaged in outside business activities without notifying his member firm of the true nature of his activities.

Eddie Samuel Freeman, II (Registered Principal, St. Louis, Missouri) submitted an Offer of Settlement pursuant to which he was fined \$33,641.35, barred from association with any NASD member in any capacity, and ordered to pay \$6,728.27 plus interest in restitution. Without admitting or denying the allegations, Freeman consented to the described sanctions and to the entry of findings that he issued checks totaling \$6,728.27 from his member firm's bank account made payable to himself, deposited the checks into his personal account, and utilized the proceeds from the checks for his own use and benefit without the knowledge or consent of his member firm. The findings also stated that he improperly used the proceeds from short sales of securities to pay for the purchase of warrants to cover the short sales. In addition, the NASD found that Freeman failed to respond to NASD requests for information.

Herbert G. Frey (Registered Principal, Cincinnati, Ohio) was suspended from association with any NASD member in any capacity for 180 days. The SEC affirmed the sanction following appeal of a March 1997 NBCC decision. The sanctions were based on findings that Frey failed to pay an arbitration award.

Terry W. Hamilton (Registered Representative, Milwaukee, Wisconsin) submitted an Offer of Settlement 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, Hamilton consented to the described sanctions and to the entry of findings that he obtained \$111.48 from a public customer with instructions to use the funds to pay for a life insurance policy. The NASD determined that Hamilton failed to follow the customer's instructions and used the funds for some purpose other than for the benefit of the customer. The findings also stated that Hamilton failed to respond to NASD requests for information.

Vicci Delores Havens (Registered Representative, Modesto, California) was fined \$21,500, barred from association with any NASD member in any capacity, and ordered to pay \$1,292.77 in restitution to a customer. The sanctions were based on findings that Havens forged a public customer's name to account documents and a check, submitted the documents to her member firm, and effected an unauthorized trade in the customer's account. Havens also deposited a \$1,292.77 check made payable to a public customer to her personal bank account and used the proceeds for her own use.

Steven Herbert Johansen (Registered Representative, Bolingbrook, Illinois) was fined \$100,000 and barred from association with any NASD member in any capacity. The NBCC affirmed the sanctions following appeal of a Chicago DBCC decision. The sanctions were based on findings that Johansen fraudulently interpositioned collateralized mortgage obligations to evade inventory limits set by his member firm and to generate greater trading profits.

Johansen has appealed this action to the SEC and the sanctions, other than the bar, are not in effect pending consideration of the appeal.

Jeffrey Ward Jones (Registered Principal, Guilderland, New York) was fined \$100,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Jones conducted unauthorized and excessive trading in public customer accounts and effected transactions without written discretionary authority from the customers. In addition, Jones effected customer transactions while not properly registered and failed to respond to NASD requests to appear for an on-the-record interview.

Marty Ross Jones (Registered Representative, Richfield, Minnesota) was fined \$30,000, barred from association with any NASD member in any capacity, suspended from association with any NASD member in any capacity for two years, and required to requalify by exam. The sanctions were based on findings that Jones received checks totaling \$4,602.38 representing the cash surrendered from life insurance policies of public customers and, without the knowledge or consent of the customers, endorsed and deposited the checks into his personal bank account and misused the funds. Jones also failed to respond to NASD requests for information.

Jeffrey Dean Lee (Registered Principal, Wichita, Kansas) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Lee failed to respond to NASD requests for information.

Nicholas Liapunov (Registered Representative, Ridgefield, Connecticut) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined

\$5,000, suspended from association with any NASD member in any capacity, and required to requalify by exam in all capacities. Without admitting or denying the allegations, Liapunov consented to the described sanctions and to the entry of findings that he forged a public customer's signature on a disbursement request form without the customer's knowledge, authorization or consent.

Daniel Gerard Mullen (Registered Representative, Chicago, Illinois) submitted an Offer of Settlement pursuant to which he was fined \$6,000 and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the allegations, Mullen consented to the described sanctions and to the entry of findings that he purchased and sold securities for the account of a public customer without the customer's knowledge or consent and in the absence of written or oral authorization from the customer to exercise discretion in the account.

Jeffrey A. Neal (Registered Representative, Gallipolis, Ohio) was fined \$70,000, barred from association with any NASD member in any capacity, and ordered to pay \$10,049.67 in restitution to a member firm. The sanctions were based on findings that Neal submitted disbursement request forms purportedly signed by public customers, causing the firm to issue checks totaling \$10,049.67, payable to the customers. Neal did not provide these checks or the checks' proceeds to the customers and retained the funds for his own use and benefit, without the customers' knowledge, consent, or authorization. Neal also failed to respond to NASD requests for information.

Carlton D. Oakley (Registered Representative, Buffalo, New York) was fined \$50,000, barred

from association with any NASD member in any capacity, and ordered to pay \$5,969.46 in restitution to a member firm. The sanctions were based on findings that Oakley received a \$5,969.46 check from a public customer intended for the purchase of securities and, without the customer's knowledge or consent, used the funds for some purpose other than for the benefit of the customer. Oakley also failed to respond to NASD requests for information.

Boris Poleschuk (Registered Representative, Brooklyn, New York) submitted an Offer of Settlement pursuant to which he was suspended from association with any NASD member in any capacity for one year and will be subject to special supervision for two years. Without admitting or denying the allegations, Poleschuk consented to the described sanctions and to the entry of findings that he made material misrepresentations and omissions to his customers concerning a stock. The findings also stated that Poleschuk effected unauthorized transactions in his customers' accounts.

Robert A. Quiel (Registered Principal, Bermuda Dunes, California) was fined \$12,500, suspended from association with any NASD member in any capacity for 30 days, and required to requalify by exam as a general securities principal and general securities representative. The SEC affirmed the sanctions following appeal of an October 1996 NBCC decision. The sanctions were based on findings that Quiel effected principal retail transactions with customers involving securities at prices that were unfair and excessive, with markups ranging from 8 to 40 percent above the prevailing market price. Quiel also failed to respond completely to NASD requests for information.

Steven James Reimer (Registered Representative, Vancouver, Washington) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and suspended from association with any NASD member in any capacity for three months. Without admitting or denying the allegations, Reimer consented to the described sanctions and to the entry of findings that a member firm, acting through Reimer, sold shares of common stock to investors by intentionally or recklessly employing devices intended to defraud these investors and omitted to state material facts necessary to make the statements made in the private placement memorandum not misleading.

James Michael Russell (Registered Representative, San Antonio, Texas) was fined \$25,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Russell engaged in outside business activities even though he had not provided prompt written notice of such to his member firm. Russell also failed to respond to NASD requests to appear for an on-the-record interview.

William H. Scherrer (Registered Representative, Burlington, Wisconsin) 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 10 business days. Without admitting or denying the allegations, Scherrer consented to the described sanctions and to the entry of findings that he signed the names of public customers to life insurance takeover request forms without the knowledge or consent of the customers.

Robert E. Staley (Registered Representative, Maumelle, Arkansas) submitted an Offer of Settlement pursuant to which he was fined \$5,000,

suspended from association with any NASD member in any capacity for six months, and required to requalify by exam as a general securities representative. Without admitting or denying the allegations, Staley consented to the described sanctions and to the entry of findings that he recommended and engaged in the purchase transaction of a limited partnership in the joint account of public customers without having reasonable grounds for believing that such recommendation and resultant transaction was suitable for the customers on the basis of their financial situation, investment objectives, and needs. The findings also stated that Staley borrowed \$1,500 from a public customer knowing that he did not have the ability to repay the loan.

Barry R. Strauss (Registered Representative, Tempe, Arizona) and **Robert S. Tryon (Registered Representative, Mesa, Arizona)** submitted an Offer of Settlement pursuant to which Strauss was fined \$20,000 and barred from association with any NASD member in any capacity. Tryon was fined \$10,000 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 Strauss and Tryon engaged in outside business activities for compensation without providing prompt written notice of such activities to their member firm. The findings also stated that Strauss represented to the public that he was offering securities but failed to identify his member firm as the broker/dealer that he was associated with for purposes of securities transactions. Furthermore, the NASD found that Strauss provided inaccurate information in response to an NASD request for information.

Margaret L. Talbot (Registered Representative, Oneonta, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which she was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Talbot consented to the described sanctions and to the entry of findings that she accepted from a public customer a \$10,000 check intended for investment into a variable annuity. The NASD found that Talbot deposited the check into her personal bank account and converted the proceeds to her own use and benefit.

Randall H. Taylor (Registered Representative, Basking Ridge, New Jersey) and **Paul C. Mazzanobile (Registered Representative, Haworth, New Jersey)** submitted an Offer of Settlement pursuant to which Taylor was fined \$50,000, suspended from association with any NASD member in any capacity for 30 days, and suspended from association with any NASD member in a principal capacity for 60 days. Mazzanobile was fined \$7,500 and suspended from association with any NASD member in any capacity for 15 days. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that Taylor and Mazzanobile engaged in a pattern and practice of attempting to mark the open of the market for securities.

Ronald Howard Tjarks (Registered Representative, Hastings, Nebraska) was fined \$340,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Tjarks affixed a customer's signature on annuity withdrawal forms and withdrawal checks totaling \$94,000 without the knowledge or consent of the customer. In addition, Tjarks

deposited withdrawal checks totaling \$54,000 into his personal bank account and converted the funds to his own use and benefit without the knowledge or consent of the customers. Tjarks also failed to respond to NASD requests for information.

Bruce M. Vitrano (Registered Representative, Blasdell, New York) was fined \$30,000, barred from association with any NASD member in any capacity, and required to pay \$1,979.56 in restitution to a member firm. The sanctions were based on findings that Vitrano received from a public customer \$1,979.56 to be used to fund a variable life insurance policy. Vitrano did not apply any of the funds as intended by the customer and used the funds for his own use and benefit. Vitrano also failed to respond to NASD requests for information.

Individuals Fined

Charles R. Snyder (Registered Principal, South Glastonbury, Connecticut) submitted an Offer of Settlement pursuant to which he was fined \$25,000. Without admitting or denying the allegations, Snyder consented to the described sanction and to the entry of findings that he engaged in private securities transactions outside the regular course or scope of his employment with his member firm without giving written notice to his member firm describing in detail the proposed transaction, his proposed role therein, and whether he received or was to receive selling compensation in connection with the transaction.

Decisions Issued

The following decisions have been issued by the NBCC and have been appealed to the NBCC as of November 28, 1997. The findings and sanctions imposed in the decision may be increased, decreased, modified, or

reversed by the NBCC. Initial decisions whose time for appeal has not yet expired will be reported in the next *Notice to Members*.

Westhagen & Westhagen, Inc. (Ripon, Wisconsin) and **Eric P. Westhagen (Registered Principal, Ripon, Wisconsin)** were fined \$10,000, jointly and severally, and Westhagen was barred from association with any NASD member in any principal or supervisory capacity. The sanctions were based on findings that the firm, acting through Westhagen, failed to promptly amend and file with the NASD a Form BD to reflect a delinquent tax warrant, failed to maintain a general ledger, checkbook, bank statements, canceled checks, bank reconciliations, and copies of the firm's Form BD. In addition, the firm, acting through Westhagen, prepared inaccurate trail balances and net capital computations, and filed inaccurate FOCUS Part I and IIA reports with the NASD. The firm, acting through Westhagen, also failed to fully respond to NASD requests for information.

The firm and Westhagen have appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Lawrence P. Bruno, Jr. (Registered Representative, Brooklyn, New York) was fined \$25,000, barred from association with any NASD member in any capacity, and ordered to disgorge \$678,067 to the NASD. The sanctions were based on findings that Bruno arranged to have an impostor take the Series 7 exam on his behalf.

Bruno has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Michael B. Jawitz (Registered Representative, Washington, D.C.)

was fined \$50,000 and suspended from association with any NASD member in any capacity for one year and suspended thereafter as an equity trader until he takes and passes the Series 7 exam. The sanctions were based on findings that Jawitz engaged in manipulative, deceptive, and fraudulent conduct by intentionally and recklessly entering fictitious limit orders into his member firm's order execution system that led to non-bona fide transactions. Furthermore, Jawitz caused his member firm's order execution system to fail to automatically execute customer limit orders. Jawitz also intentionally and recklessly published or circulated reports of purchase and sale transactions when he knew that such transactions were non-bona fide.

Jawitz has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Bernadette Jones (Registered Representative, Pomona, California)

was fined \$3,500, suspended from association with any NASD member in any capacity for six months, ordered to requalify by exam as a general securities representative, and ordered to pay \$2,516.56 in restitution to a member firm. The sanctions were based on findings that Jones received \$6,000 from a public customer for the purpose of purchasing a life insurance policy. Jones submitted the insurance application with a money order for \$1,483.44 to her member firm and misused the remainder of the funds for her personal expenses. In addition, Jones submitted to her member firm a Form U-4 that contained false and misleading information.

This action has been called for review by the NBCC and the sanctions are not in effect pending con-

sideration of the appeal.

Douglas John Mangan (Registered Representative, Massapequa, New York)

was fined \$120,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Mangan created a false and inaccurate customer securities account statement and caused his member firm's records to falsely indicate the customer's address without the knowledge, consent or authorization of the customer. Mangan also failed to respond to NASD requests to appear for an on-the-record interview.

Mangan has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Nancy Hoff Martin (Registered Principal, Tustin, California)

was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Martin allowed two unregistered persons to use her account executive number to engage in the securities business, and failed to maintain or enforce procedures designed to prevent associated individuals from effecting securities transactions without being properly registered.

Martin has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

James Basil Peters (Registered Representative, Oxnard, California)

was fined \$3,500 and suspended from association with any NASD member in any capacity for 30 days. The sanctions were based on findings that Peters signed a bank branch manager's name to documents in an attempt to improperly obtain commissions.

Peters has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Eric Slane (Registered Representative, Seattle, Washington) was fined \$10,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Slane filed an inaccurate Form U-4 and submitted the form to his member firm to be forwarded to the NASD.

Slane has appealed this action to the NBCC and the sanctions are not in effect pending consideration of the appeal.

Complaints Filed

The following complaints were issued by the NASD. Issuance of a disciplinary complaint represents the initiation of a formal proceeding by the NASD in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

James E. Catsos, Jr., (Registered Representative, Aventura, Florida)

was named as a respondent in an NASD complaint alleging that he executed an unauthorized purchase transaction in the account of a public customer, without the customer's knowledge or consent.

Paul W. Feeny (Registered Representative, Bayside, New York) was named as a respondent in an NASD complaint alleging he made material misrepresentations and omitted to disclose material information about securities in which he was soliciting transactions and that he made predic-

tions concerning the future price of securities without having a reasonable basis in connection with the securities transactions. Feeny is also alleged to have effected two unauthorized transactions, failed to follow public customer instructions to sell securities, and induced a transaction by guaranteeing the customer against loss.

Steven L. Fritz (Registered Representative, Oklahoma City, Oklahoma) was named as a respondent in an NASD complaint alleging he effected approximately 243 unauthorized withdrawals and/or transfers involving an estimated \$1,785,749 from the accounts of at least seven public customers, and converted approximately \$598,428 of these funds to his own use and benefit, without the public customers' knowledge or consent, by forging certain customers' signatures to Letters of Authorization, preparing and sending false account statements to the affected customers, and making false and misleading statements in an effort to conceal these activities. Further, Fritz is alleged to have failed and neglected to respond to NASD requests for information.

Christopher E. Jann (Registered Representative, Centerreach, New York) was named as a respondent in an NASD complaint alleging he made material misrepresentations and omitted to disclose material information about securities in which he was soliciting transactions and that he made predictions concerning the future price of securities without having a reasonable basis in connection with securities transactions.

Lawrence Knapp (Registered Representative, Lakewood, Colorado) was named as a respondent in an NASD complaint alleging he received approximately \$12,000 from a public customer intended for investment, and instead deposited the

funds into a bank account he controlled and used the funds for his own benefit. Knapp is also alleged to have failed to respond to NASD requests for information.

Frank Rocky Mazzei (Registered Representative, College Park, Maryland) was named as a respondent in an NASD complaint alleging that he excessively traded and made unsuitable recommendations in two accounts of a public customer. The complaint alleges that the excessive trading Mazzei engaged in with these accounts resulted in annual turnover rates of 16.79 and 8.32, and that the losses sustained in the accounts amounted to 50 percent of the customer's total initial equity. Furthermore, Mazzei is alleged to have misrepresented the nature and meaning of an activity letter sent to the customer by his member firm. In addition, the complaint alleges that although the activity letter specifically inquired, among other things, as to whether the customer was aware of the frequency of trading in his accounts, as well as the profits and losses sustained in his accounts, Mazzei told the customer that the letter was simply a form that required the customer's signature in order to continue in the investment program. Mazzei was purportedly administering in the customer's accounts.

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

Investors Associates, Inc.,
Hackensack, New Jersey

Securities Planners, Inc. (n/k/a Buttonwood Securities, Inc.),
New York, New York

Taj Global Equities, Inc., Tampa, Florida

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 NASD Rule 8210 and Article VII, Section 2 of the NASD By-Laws. The date the suspensions commenced is listed after the entry. If the firm has complied with the requests for information, the listing also includes the date the suspension concluded.

First International Capital, Ltd.,
Hamilton, Bermuda (November 12, 1997)

S. D. Cohen & Co., Inc., New York, New York, (November 5, 1997)

Firm Suspended Pursuant To NASD Rule 9622 For Failure To Pay Arbitration Award **Sovereign Equity (n/k/a Tuscany Equity Management Corporation)**

Suspension Lifted

The NASD has lifted the suspension from membership on the date shown for the following firm because it has complied with formal written requests to submit financial information.

Del Mar Financial Services, Incorporated, Del Mar, California
(October 28, 1997)

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

Mark M. Furman, Pompano Beach, Florida

Eugene Flaksman, Brooklyn, New York

Michael Y. Garber, Brooklyn,
New York

Alex V. Gincher, Brooklyn,
New York

Monica A. Kimpling, Fridley,
Minnesota

Jeane A. Kunkel, Minneapolis,
Minnesota

Kevin M. Murphy, Gig Harbor,
Washington

Mark S. Savage, Plymouth,
Minnesota

**Individual Whose Registration Was
Canceled/Suspended Pursuant To
NASD Rule 9622 For Failure To Pay
Arbitration Award**
Frank Jeremick Rosso, Juno Beach,
Florida

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