

DISCIPLINARY ACTIONS

Disciplinary Actions Reported For March

NASD Regulation, Inc. (NASD RegulationSM) has taken disciplinary actions against the following firms and individuals for violations of NASD[®] Rules; 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, March 17, 1997. The information relating to matters contained in this Notice is current as of the end of February. Information received subsequent to the end of February is not reflected in this edition.

Firms Fined, Individuals Sanctioned

Buttonwood Securities, Inc. (New York, New York) and **Edward A. McKay, Jr. (Registered Principal, New York, New York)** submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$20,000, jointly and severally. McKay was suspended from association with any NASD member as a general securities principal for 30 days and required to requalify by exam as a general securities principal. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through McKay, conducted a securities business while failing to maintain its minimum required net capital. The findings also stated that the firm, acting through McKay, did not abide by the terms and conditions agreed to in its restrictive agreement with the NASD.

Nationwide Securities Corporation (Fort Worth, Texas) and **Kevin Bryan Williams (Registered Principal, Fort Worth, Texas)** submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$15,000, jointly and severally and Williams was suspended from association with any NASD member

in any capacity for two years. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Williams, effected securities transactions while failing to maintain its minimum required net capital and failed to maintain accurate books and records. The NASD determined that the firm, acting through Williams, failed to enforce its written supervisory procedures and permitted individuals to engage in the investment banking or securities business of the firm without being properly registered with the NASD. The findings also stated that the firm, acting through Williams, reported 20 of 200 transactions reviewed as late, but failed to designate the transactions as late.

Firms And Individuals Fined

Blount Parrish & Roton, Inc. (Montgomery, Alabama) and **William B. Blount (Registered Principal, Montgomery, Alabama)** submitted an Offer of Settlement pursuant to which they were fined \$55,000, jointly and severally. In addition, the firm must hire an independent counsel to review the firm's procedures with respect to its adherence to certain MSRB Rules and to implement any recommendations made by the counsel. The respondents also agreed to make no contributions to any political action committee and to refrain from doing business with any lobbyist that controls or operates a political action committee. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Blount, in its role as underwriter, failed to accurately reflect the redemption feature of \$6,500,000 in industrial development revenue bonds for the Industrial Development Board of the City of Birmingham, Alabama.

Specifically, the NASD found that the firm offered and sold the bonds by means of an offering statement that failed to adequately disclose the redemption provisions of the bonds. The NASD also determined that the firm recorded an incorrect call feature on its confirmations of sale for the bonds and failed to disclose that the terms of the redemption feature had been omitted from the official statement, when the firm knew or should have known of such omission.

Prime Capital Services, Inc. (Poughkeepsie, New York), Michael P. Ryan (Registered Principal, Poughkeepsie, New York) and Ralph A. Porpora (Registered Principal, Copake, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$20,000, jointly and severally. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Ryan and Porpora, failed to establish and enforce written supervisory procedures. The findings also stated that the firm, acting through Ryan and Porpora, misrepresented to investors the use of the proceeds from an intrastate best efforts offering.

Trautman Kramer & Co. (New York, New York), Gregory Owen Trautman (Registered Principal, Brooklyn, New York), Robert Joseph Kramer (Registered Principal, New York, New York), and Peter Anthony Cardillo (Registered Representative, Marlton, New Jersey) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$100,000, jointly and severally and required to pay \$70,453 plus interest in restitution to customers, jointly and severally. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings

that, in connection with the recommendation and sale of a common stock, the firm, Trautman, and Kramer, failed to ensure that the firm's registered representatives disclosed that Trautman and Kramer were selling the stock. The findings also stated that the firm, Trautman, Kramer, and Cardillo failed to ensure that the firm's registered representatives were aware of and disclosed material information about the stock to their customers. Furthermore, the NASD determined that the firm, acting through Trautman and Cardillo, failed to establish, maintain, and enforce written supervisory procedures.

Individuals Barred Or Suspended

Mark Antonio Allwood (Registered Representative, Bronx, New York) was fined \$48,519.75 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Allwood obtained checks totaling \$8,024.82 issued by his member firm and made payable to public customers, cashed the checks, and used the funds for some purpose other than for the benefit of the customers without their knowledge or consent. Allwood also obtained a public customer's signature on a policyowner service request form under the pretense that the form would be used to change the beneficiary on the customer's variable life policy. Furthermore, Allwood failed to respond to NASD requests for information.

John F. Bald (Registered Representative, Carmel, New York) was fined \$1,270,000, barred from association with any NASD member in any capacity, and required to pay restitution. The sanctions were based on findings that Bald converted for his own use more than \$250,000 from the accounts of a bank customer. Bald also failed to respond to NASD requests for information.

Donald Sherman Becker (Registered Representative, Carrollton, Texas) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and suspended from association with any NASD member in any capacity for two weeks. Without admitting or denying the allegations, Becker consented to the described sanctions and to the entry of findings that he solicited securities transactions without being registered with a member firm.

Richard W. Bosley (Registered Representative, Cincinnati, Ohio) was fined \$38,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Bosley received a \$2,970 check from a public customer for the purchase of a mutual fund and without the customer's knowledge or consent, used the funds for some purpose other than for the benefit of the customer. Bosley also failed to respond to NASD requests for information.

Todd Congrove (Registered Representative, Confer, Colorado) submitted an Offer of Settlement pursuant to which he was barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Congrove consented to the described sanctions and to the entry of findings that, while taking the Series 6 exam, he was found with unauthorized material relating to the exam in his possession.

John Joseph Cummins (Registered Representative, New York, New York) was fined \$155,000, barred from association with any NASD member in any capacity, and ordered to pay \$50,000 in restitution to a customer. The sanctions were based on findings that Cummins engaged in private securities transactions without giving prior written notice to or obtaining approval from his member firm to

participate in such transactions. Furthermore, Cummins obtained \$25,000 from a public customer under false pretenses and converted the funds for his own use and benefit. Cummins also failed to respond to NASD requests for information.

Larry Valton Davis (Registered Principal, Dallas, Texas) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000, barred from association with any NASD member in any capacity, and required to pay \$52,000. Without admitting or denying the allegations, Davis consented to the described sanctions and to the entry of findings that he prepared a confidential private offering memorandum and thereafter disseminated or caused the dissemination of that offering memorandum to potential investors knowing that it contained false information. The findings also stated that Davis participated in a private securities transaction and failed to provide written notice to his member firm.

Simone Joseph DiBella (Registered Representative, Clinton Township, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, DiBella 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 failed to give prior written notice of such sales to his member firm, and to obtain prior written authorization from his member firm to engage in such activities.

William Leonard England (Registered Representative, Nampa, Idaho) was fined \$75,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that

England obtained possession of insurance disbursement checks totaling \$21,107.48 made payable to insurance clients, signed the payee's names to the checks, and deposited the checks at a bank to be credited to his credit card account. England also failed to respond to NASD requests for information.

Rick Fertel (Associated Person, Brooklyn, New York) was fined \$50,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Fertel arranged to have an impostor take the Series 7 exam on his behalf. Fertel also failed to respond to NASD requests to appear for an on-the-record interview.

Jacqueline Marie Freeze (Registered Representative, Huntington Woods, Michigan) submitted an Offer of Settlement pursuant to which she was fined \$25,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Freeze consented to the described sanctions and to the entry of findings that she participated in the offer and sale of securities to public customers on a private basis and failed to give prior written notice of, and to obtain prior written authorization from her member firm to engage in such activities.

Frederick Fusco (Registered Representative, Staten Island, New York) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Fusco failed to respond to NASD requests for information.

Richard Geiger (Registered Representative, Peoria, Illinois) submitted an Offer of Settlement pursuant to which he was fined \$10,000, suspended from association with any NASD member in any capacity for

10 business days, and prohibited for one year from qualifying and/or acting in any principal capacity with any NASD member firm. Without admitting or denying the allegations, Geiger consented to the described sanctions and to the entry of findings that he was associated with a member firm as its president, while failing to properly qualify and/or register in the appropriate capacity prior to engaging in such capacity with the firm. The findings stated that Geiger, acting on behalf of his member firm, effected securities transactions while failing to timely and accurately report the transactions and while failing to disclose accurate information on customer confirmations. The NASD also found that Geiger, acting on behalf of his member firm, permitted an individual to engage in the investment banking or securities business as a representative with his member firm, while the individual failed to properly qualify and register in the appropriate capacity.

Ralph W. Grant (Registered Representative, Shelton, Connecticut) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$100,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Grant consented to the described sanctions and to the entry of findings that he withheld and misappropriated \$23,496.29 representing premium payments on insurance policies and variable annuity contracts for public customers.

Peter B. Harman (Registered Representative, Cronpond, New York) was fined \$29,939.50 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Harman received \$823.25 from a public customer as insurance premium payments, failed to credit the customer's insurance policy and, instead, con-

verted the funds for his own use. Harman also failed to respond to NASD requests for information.

Fredric A. Hickson (Associated Person, Staten Island, New York) was fined \$72,949 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Hickson filed a Uniform Application for Securities Industry Registration or Transfer (Form U-4) that failed to disclose his association with a member firm and a criminal arrest. Furthermore, Hickson executed securities transactions in customer accounts while unregistered and took steps to conceal his misconduct from regulatory authorities. Hickson also failed to respond to NASD requests for information.

Clinton Hugh Holland, Jr. (Registered Principal, Salem, Oregon) was fined \$5,000, suspended from association with any NASD member in any capacity for five business days, and required to requalify by exam as a registered principal. The U.S. Court of Appeals for the Ninth Circuit affirmed the sanctions following appeal of a December 1995 Securities and Exchange Commission (SEC) decision. The sanctions were based on findings that Holland recommended to a public customer the purchase of speculative or high-risk securities without having reasonable grounds for believing that such recommendations were suitable for the customer considering the size and nature of the transactions, the concentration of speculative securities in the account, and the customer's financial situation, circumstances, needs, and objectives.

Jeffrey Peter Ihm (Registered Representative, Farmingdale, New York) was fined \$98,832.50, barred from association with any NASD member in any capacity, and ordered to pay \$13,262.07 in restitution to a customer. The sanctions were based

on findings that Ihm received checks totaling \$15,766.50 from a public customer for investment purposes and, instead, endorsed the checks and converted the funds for his own use and benefit. Ihm also failed to respond to NASD requests for information and to appear for an on-the-record interview.

Michael J. Ireland (Registered Representative, Madison, Maine) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Ireland consented to the described sanctions and to the entry of findings that he submitted fictitious insurance policy disbursement request forms for public customers wherein he received two checks totaling \$3,877.67. The findings also stated that Ireland forged the customers' signatures, double endorsed the checks, and deposited them into his personal account for his own use and benefit.

Darlene Dottie Johnson (Registered Representative, Sacramento, California) was fined \$22,000, suspended from association with any NASD member in any capacity for two years, required to pay restitution to customers, and required to requalify by exam. The sanctions were based on findings that Johnson received checks totaling \$179,370.03 from public customers for investment purposes, deposited \$112,241.80 of the funds in other customer accounts, and retained \$24,400 until a later date.

Ashwin S. Kumar (Registered Representative, Forest Hills, New York) was fined \$70,000, barred from association with any NASD member in any capacity, and ordered to pay \$10,000 in restitution. The sanctions were based on findings that Kumar

received a \$10,000 check from a public customer for investment purposes, endorsed and cashed the check, and converted the funds for his own use. Kumar also failed to respond to NASD requests for information.

John J. Labeck (Registered Representative, Valley Stream, New York) was fined \$204,125, barred from association with any NASD member in any capacity, and ordered to pay \$10,825 in restitution to a customer. The sanctions were based on findings that, in a scheme to defraud his member firm and a public customer, Labeck executed unauthorized trades, forged a customer's signature, and misused customer funds. In addition, Labeck executed the sale and purchase of shares of common stock in the accounts of public customers without the customers' prior knowledge, authorization, or consent. Furthermore, Labeck participated in private securities transactions and caused a falsified new account form to become a part of his member firm's books and records. Labeck also failed to respond to NASD requests for information.

Patrice Lambert (Registered Representative, Staten Island, New York) was fined \$30,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Lambert signed and filed with the NASD a Form U-4 that failed to disclose that he had been arrested and convicted of three crimes. Lambert also failed to respond to NASD requests for information.

Dmitry A. Levitsky (Registered Representative, Philadelphia, Pennsylvania) was fined \$80,000, barred from association with any NASD member in any capacity, and ordered to pay \$14,504.50 in restitution to customers. The sanctions were based on findings that Levitsky effected unauthorized transactions in

customer accounts. Levitsky also distributed business cards to customers representing that he was the president of his member firm without the firm's authorization. Furthermore, Levitsky failed to respond to NASD requests for information.

Howard David Liebrich (Registered Representative, Beaverton, Oregon) was fined \$210,724, suspended from association with any NASD member in any capacity for 60 business days, and required to requalify by exam. The sanctions were based on findings that Liebrich effected transactions in the accounts of public customers without obtaining written discretionary authority from the customers and without obtaining acceptance of the accounts by his member firm. Furthermore, Liebrich made recommendations to a public customer without having reasonable grounds for believing that the transactions were suitable for the customer given the number of transactions effected, the frequency of the transactions, the concentrated positions held in the account, and the customer's investment objectives, circumstances, and needs. Liebrich also attempted to guarantee a customer against losses in his account.

Charles William Maniaci (Registered Representative, Detroit, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$83,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Maniaci 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to engage in such activities. The findings also stated that Maniaci failed to respond to NASD requests for information.

Steven Markov (Registered Principal, New York, New York) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Markov failed to respond to NASD requests for information about his termination from a member firm.

Richard B. McCulloch (Registered Representative, Westerly, Rhode Island) 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, McCulloch consented to the described sanctions and to the entry of findings that he engaged in a private securities transaction outside the regular course or scope of his employment with his member firm without giving prior written notice to his member firm describing in detail the proposed transaction, his role therein, and whether he received or was to receive any selling compensation in connection with the transaction.

Michael W. McGhee (Registered Representative, Columbus, Ohio) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$20,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, McGhee consented to the described sanctions and to the entry of findings that he obtained unauthorized loans and dividend withdrawals from public customers by signing their names to service request forms for their insurance policies without their permission.

Richard N. Morello (Registered Representative, Oakland, New Jersey) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$400,000 and barred from association with any

NASD member in any capacity. Without admitting or denying the allegations, Morello consented to the described sanctions and to the entry of findings that he forged customer signatures on various forms submitted to his member firm, obtained possession of checks issued by his member firm payable to the customers, forged the customers' signatures on the checks, and converted the funds for his own use and benefit. The findings also stated that Morello received funds from customers in payment of insurance premiums or for other purposes and failed to apply the funds as directed. According to the findings, Morello, instead, converted the funds for his own use and benefit or caused the funds to be used or applied on behalf of or for the benefit of other customers.

Richard N. Nathman (Registered Representative, Boca Raton, Florida) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$6,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Nathman consented to the described sanctions and to the entry of findings that he received \$1,080 from a public customer intended for an investment in mutual funds. The NASD found that Nathman never invested the funds as intended and misused the funds.

Mark Walter Promack (Registered Representative, Clinton Township, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Promack 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 failed to give prior written notice of, and to obtain prior

written authorization from his member firm to engage in such activities.

Gilbert Ramos (Registered Representative, Staten Island, New York)

was fined \$70,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Ramos executed the purchase and sale of securities in the accounts of public customers without their knowledge, authorization, or consent. Ramos also failed to respond to NASD requests to appear for an on-the-record interview.

Maurice Fredric Re, III (Registered Representative, Pompano Beach, Florida)

was fined \$10,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Re obtained a check from his manager's personal check book, made out the check for \$975, signed his manager's name to the check without authorization, and used the funds for his own benefit. Re also failed to respond to NASD requests for information.

John Daniel Reaves (Registered Representative, Houston, Texas)

submitted an Offer of Settlement pursuant to which he was suspended from association with any NASD member in any capacity for two years. Without admitting or denying the allegations, Reaves consented to the described sanction and to the entry of findings that he disseminated to prospective investors documents relating to an offering of securities that reflected misleading statements and omissions of material facts without providing to his member firm written notice of the proposed transactions.

Angel B. Rivas (Registered Representative, Madrid, Spain)

submitted an Offer of Settlement pursuant to which he was fined \$260,000, barred from association with any NASD

member in any capacity, and required to pay \$52,000 in restitution to his member firm. Without admitting or denying the allegations, Rivas consented to the described sanctions and to the entry of findings that he transferred \$39,000 to his personal bank account from the operation account of his member firm without the firm's knowledge or consent and in the absence of any entitlement of such funds. The findings also stated that Rivas issued checks totaling \$3,500 to an attorney who rendered no services to his member firm but instead rendered services to Rivas personally without the knowledge or consent of his member firm. Furthermore, the NASD determined that Rivas issued a \$20,000 bonus check to himself and failed to deduct amounts required to be withheld, and thereafter, submitted a false invoice when the payment was questioned by his member firm's auditors. The NASD found that Rivas failed to respond to NASD requests for information.

Patrick Lee Roese (Registered Representative, Columbus, Ohio)

submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Roese consented to the described sanction and to the entry of findings that he accepted \$11,000 from public customers for the purchase of security and insurance products, deposited the funds into the account of a financial planning company he created as a sole proprietorship, disbursed \$5,000 for a customer's securities purchases, and used the remaining \$6,000 for his own benefit.

Richard W. Rohde (Registered Representative, Rocky River, Ohio)

submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$100,000, barred from association with any NASD

member in any capacity, and required to pay \$42,857.31 in restitution to a member firm. Without admitting or denying the allegations, Rohde consented to the described sanctions and to the entry of findings that he received accumulated dividends, cash surrender values, and policy loans from insurance policies or annuities maintained by public customers totaling \$46,996.59, applied \$4,142.28 of the funds to premium payments, and retained the remaining \$42,857.31 for his own use and benefit.

David D. Ryan (Registered Representative, Chicago, Illinois)

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

Kenneth Lawrence Schmidt (Registered Representative, Grosse Pointe Farms, Michigan)

submitted an Offer of Settlement pursuant to which he was fined \$45,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Schmidt 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to engage in such activities.

Timothy J. Smith (Associated Person, Plymouth, Michigan)

submitted an Offer of Settlement pursuant to which he was fined \$80,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Smith 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 failed to give prior written notice of,

and to obtain prior written authorization from his member firm to engage in such activities.

Scott Michael Sowles (Registered Representative, Clarkston, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$165,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Sowles 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to engage in such activities. The findings also stated that Sowles failed to respond to NASD requests for information.

Raymond L. Stekloff (Registered Representative, Rochester, New York) was fined \$30,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Stekloff provided a letter to a public customer that was intended to induce the customer to transfer an individual's retirement account back to his member firm from another firm by offering the customer \$15,000 to compensate him for previous losses while the account was handled by his member firm, or a guarantee that this account would be worth \$125,000 on a certain date. The letter, written by Stekloff, falsely purported to be from a regional vice president of his member firm. Stekloff also failed to respond to NASD requests for information.

George Arthur Stemple (Registered Representative, Crete, Illinois) was fined \$75,000, barred from association with any NASD member in any capacity, and required to pay \$5,000 in restitution. The sanctions were based on findings that Stemple obtained a \$5,000 check that

represented a partial surrender of an insurance policy owned by a public customer, endorsed the check, and used the proceeds for some purpose other than for the benefit of the customer. Furthermore, Stemple signed a Form U-4 that failed to disclose a final order permanently revoking his Indiana insurance license. Stemple also failed to respond to NASD requests for information.

David A. Stevenson (Registered Representative, Farmington, Connecticut) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$1,000,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Stevenson consented to the described sanctions and to the entry of findings that he received customer funds intended for mutual fund investments and caused the unauthorized disbursement of liquidation checks from existing mutual fund accounts totaling \$700,000 that he converted for his own use and benefit without the customer's knowledge or consent.

Randolph N. Strickland (Registered Representative, Birmingham, Alabama) was fined \$120,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Strickland caused three checks totaling \$8,050 to be withdrawn from the IRA account of a public customer and converted the funds for his own use and benefit by forging the customer's signature on the checks and depositing them into his personal checking account without the customer's knowledge or consent. In addition, Strickland received two checks totaling \$4,770 that had been drawn on a public customer's IRA account and converted the monies for his own use and benefit without the customer's knowledge or consent. Furthermore, Strickland engaged in outside busi-

ness activities without giving prior written notice to or approval from his member firm and recommended to a public customer the transfer of funds when such recommendation and the resultant transactions were unsuitable for the customer on the basis of his financial situation, investment objectives, and needs. Strickland also failed to respond to NASD requests for information.

Dan Scott Taylor (Registered Representative, Corvallis, Oregon) was fined \$5,000, suspended from association with any NASD member in any capacity for 18 months, and required to requalify by exam. The sanctions were based on findings that Taylor obtained a \$923 check issued erroneously by his member firm, signed the check, and attempted to negotiate the check.

Jorge Eduardo Villalba (Registered Principal, Ducanville, Texas) 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 five business days. Without admitting or denying the allegations, Villalba consented to the described sanctions and to the entry of findings that he engaged in excessive trading in customer accounts.

Steven Richard Wilmoth (Registered Representative, East Pointe, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Wilmoth 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to engage in such activities.

James W. Winter (Registered Representative, Houston, Texas) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$100,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Winter consented to the described sanctions and to the entry of findings that he recommended and sold mortgage-backed derivative products to public customers without disclosing the nature and risks of these products and that the products might not have been suitable for the customers.

Michael Francis Zapytowski (Registered Representative, Roseville, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Zapytowski consented to the described sanctions and to the entry of findings that he engaged in private securities transactions while failing to give prior written notice of, and obtain prior written authorization from his member firm to engage in such activities.

Gus Neno Zoppi, Jr. (Registered Representative, Rochester Hills, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$115,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Zoppi 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to

engage in such activities. The findings also stated that Zoppi failed to respond to NASD requests for information.

Gus Neno Zoppi, III (Registered Representative, Oak Park, Michigan) submitted an Offer of Settlement pursuant to which he was fined \$50,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Zoppi 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 failed to give prior written notice of, and to obtain prior written authorization from his member firm to engage in such activities. The findings also stated that Zoppi failed to respond to NASD requests for information.

Individuals Fined

Eric Darrisaw (Registered Principal, Jersey City, New Jersey) and **Toni Hacket-Antrum (Registered Principal, Perry, Florida)** submitted an Offer of Settlement pursuant to which they were fined \$10,000, jointly and severally. Without admitting or denying the allegations, the respondents consented to the described sanction and to the entry of findings that a member firm, acting through Darrisaw and Hacket-Antrum, failed to establish, maintain, and enforce proper supervisory procedures. The findings also stated that a member firm, acting through Darrisaw and Hacket-Antrum, provided to a public customer a written proposal containing misleading information and failed to maintain a continuing and current education program for its covered registered persons.

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

Mid-Continent Securities, Inc.,
Arvada, Colorado

Firm Suspended Pursuant To NASD Rule 9622 For Failure To Pay Arbitration Award

The date the suspension began is listed after the entry.

Wilshire Discount Securities,
Riverside, California (January 28, 1997)

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.

Chase Global Securities, Inc.,
Cleveland, Ohio (January 24, 1997)

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

Edmund G. Barnes, Daly City, California

Charles T. Birdsong, Tampa, Florida

Peter Caraveo, Jr., Tarzana, California

Charles O. Huttoe, III, Miami, Florida

Daniel R. Lehl, Littleton, Colorado

Vincent J. Liuzzi, III, Cave Creek,
Arizona

Roger M. Mintzer, Henderson,
Nevada

Steven Paul Shipley, Austin, Texas

Charles O. Stuller, Calymont,
Delaware

Michael A. Wynn, Scottsdale,
Arizona

**Individual Whose Registration Was
Canceled/Suspended Pursuant To
NASD Rule 9622 For Failure To Pay
Arbitration Award**

Gene L. Roach, Riverside,
California

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