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ADVICE MEMORANDUM

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MAR 2 1984

OFFICE OF THE DIRECTOR
CORPORATION FINANCE

TO: The Commission
John S. Daniels
Daniel L. Goelzer
John J. Huber
Linda Quinn
George Fitzsimmons
Gary Lynch
Bruce Hiler
Elisse Walters
Lew Mendelsohn

FROM: John M. Fedders, Director
Division of Enforcement *JMF*

DATE: March 1, 1984

SUBJECT: Enforcement Actions Against Persons
Who Fail to Timely File Forms 4

On February 14, the Commission authorized us to file 34 enforcement actions against individuals or enterprises who failed to file Forms 4. After the Commission authorized the action, we notified by letter, the individuals or enterprises and/or their counsel of the intention to institute actions beginning about March 5. A sample copy of the letter sent to counsel is attached.

In meetings with the various counsel, several have expressed "outrage" that the Commission is instituting enforcement actions in this area after 49 years of inactivity. Al Sommer and Lloyd Feller of Morgan Lewis & Bockius asked for an opportunity to write to the Commission on this topic. (Attached is a copy of their submission.) I believe that the Commission should move forward with the authorized enforcement actions. If any of you feel to the contrary or would like the Commission to reconsider this authorization in a closed meeting, please let me know immediately. If I do not hear from you by the close of business on Monday, March 5, I will consider the silence as an indication that we should move forward.

You may recall that we did not recommend to the Commission the Hospital Corporation of America as a proposed defendant. The Commission voted that HCA be named as a defendant in this series of cases. Neil McCoy of Skadden Arps has asked for an opportunity to make a written submission on behalf of his client. It will arrive tomorrow, and I will forward it to you for your immediate consideration. Although we are not encouraging further written submissions, we may receive one or two more.

Should any of you have questions with respect to the foregoing, please telephone me as soon as possible. At present, it is my plan that our first Forms 4 case will be filed on March 8. We could be a day or two late.

Attachments



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 17, 1984

Stephen J. Bisgeier, Esq.
Miller, Shakman, Nathan & Hamilton
208 South La Salle Street
Chicago, Illinois 60604

Re: Robert Izard
Late Filing of Forms 4

Dear Mr. Bisgeier:

On February 14, the Commission authorized the staff to file an action pursuant to Section 21(e) of the Securities Exchange Act of 1934 (the "Exchange Act") against your client, seeking an order requiring him to comply with Section 16(a) of the Exchange Act and the rules thereunder by timely filing Form 4 Statements of Changes of Beneficial Ownership. It is the intention of the Division of Enforcement to file such an action on about March 5.

The Commission authorized the staff to conduct settlement discussions prior to filing this action. Enclosed are (i) the original of a proposed Consent and (ii) a copy of a proposed Final Order for your review and consideration in connection with possible settlement of this action.

If your client elects to settle this matter and you so inform the staff, you may wish to discuss the Complaint to be filed naming your client. Please telephone one of the individuals named in the last paragraph of this letter. The Complaint naming your client will include identifying information charging paragraphs identifying the delinquent Forms 4 and a prayer for relief.

If the proposed settlement papers are acceptable, please have the original of the Consent executed and return it to Mr. Hiler before March 2, together with a copy of the Final Order attached. We will arrange for the Consent and Final Order to be entered when we file the Commission's Complaint.

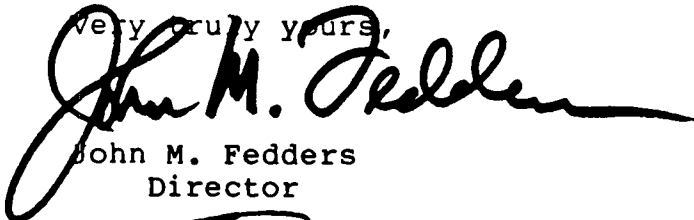
Stephen J. Bisgeier, Esq.
February 17, 1984
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On February 14, the Commission also authorized the filing of similar actions against other individuals and enterprises. It is likely that a number of the actions will be filed on the same day or on a reasonably proximate date. In accordance with the Federal Rules of Civil Procedure, the charges against the various individuals and enterprises will be made in separate complaints. It is our intention to file most, but not all, of the actions in the U.S. District Court for the District of Columbia.


As is customary when the Commission initiates or settles an action, a Litigation Release will be issued describing the action and the settlement. If more than one action charging failure to timely file Forms 4 are filed on the same day, it is our intention that a single Litigation Release will discuss the multiple actions.

Should you have any questions or comments, please telephone Bruce Hiler at (202) 272-2254 or Lewis J. Mendelson at (202) 272-7652.

Very truly yours,



John M. Fedders
Director



Bruce A. Hiler
Branch Chief

Enclosures