

Notice To Members

National Association of Securities Dealers, Inc.

November 1992

Number 92-62**Suggested Routing:***

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|---|--|--|---|
| <input checked="" type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input checked="" type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: SOES Tier Levels to Change for 538 Issues on December 1, 1992

On June 30, 1988, the maximum Small Order Execution System (SOES) order size for all Nasdaq National Market securities was established as follows:

- A 1,000-share maximum order size was applied to those Nasdaq National Market securities that had an average daily nonblock volume of 3,000 shares or more a day, a bid price that was less than or equal to \$100, and three or more market makers.

- A 500-share maximum order size was applied to those Nasdaq National Market securities that had an average daily nonblock volume of 1,000 shares or more a day, a bid price that was less than or equal to \$150, and two or more market makers.

- A 200-share maximum order size was applied to those Nasdaq National Market securities that had an average daily nonblock volume of less than 1,000 shares a day, a bid price that was less than or equal to \$250, and less than two market makers.

These order-size tiers were set by the NASD after extensive research and polling of all Nasdaq National Market market makers. The purpose of establishing these tiers was to provide public investors with the most efficient means of handling their small orders while ensuring that market makers were not required to assume unrealistic risks

under the new mandatory SOES participation rules.

At the time of their establishment, the NASD Trading Committee and Board of Governors decided that the tier levels applicable to each security would be reviewed periodically to determine if the trading characteristics of the issue had changed so as to warrant a SOES tier-level move. Such a review was conducted as of August 31, 1992, using the aforementioned formula and fourth-quarter trading data. The results of this review were analyzed by the SOES Subcommittee and the NASD Trading Committee, which recommended that changes in SOES tier levels should be implemented per the formula calculation with the exception that an issue would not be permitted to move more than one level.

To further explain, if an issue previously was categorized in the 200-share tier, it would not be permitted to move to the 1,000-share tier even if the formula calculated that such a move was warranted. The issue could move only one level to the 500-share tier as a result of any single review. Likewise, a security previously assigned to the 1,000-share tier could move only to 500 shares, regardless of the formula calculation. In adopting this policy, the Committee was attempting to minimize market-maker exposure on issues for which the tier level increased and maintain adequate public investor access on issues for which the tier

level decreased.

The committee also recognized that the formula used to assign the tier levels cannot always accurately reflect the trading characteristics for each issue. As such, market makers are reminded that the SOES Subcommittee will review on a case-by-case basis suggested tier-level changes if a sig-

nificant number of market makers in that issue believe such a change is warranted. For more information regarding this process, please contact Nasdaq Market Listing Qualifications at (202) 728-8039.

Following is a listing of the Nasdaq National Market issues that will require a SOES tier-level change on December 1, 1992.

NASDAQ NATIONAL MARKET SOES CHANGES

All Issues in Alphabetical Order by Name

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
A				BOMS	BANCORP OF MISS INC	200	500
ELUXY	A B ELECTRLX ADR SPD	1000	500	BNHC	BANK OF NEW HAMP CORP	1000	500
ABSI	A B S INDS	500	1000	BPILF	BASIC PET INT'L LTD	500	200
SKFRY	A B SKF ADR	200	500	BSNX	BASIN EXPLORATION	500	1000
AEPI	A E P INDS INC	500	1000	BFRS	BEN FRANKLIN RETAIL	500	1000
ALTI	A L T A I INC	200	500	BTGCW	BIO-TECH GEN WTS 95	1000	500
APGI	A P GREEN INDS	1000	500	BTGCZ	BIO-TECH GEN WTS 96	1000	500
ADGE	ADAGE INC	500	1000	BGENW	BIOGEN INC WTS	1000	500
AVCR	ADVACARE INC	200	500	BIOMF	BIOMIRA INC	500	1000
LAIS	ADVAN INTERVENTIONAL	200	500	BLIS	BLISS LAUGHLIN INDS	500	200
AESM	AERO SYS INC	1000	500	BOON	BOONTON ELECTRONICS	500	200
ATNG	ALATENN RESOURCES	500	1000	BORAY	BORAL LTD ADS	500	200
AEOK	ALEXANDER ENGY CORP	500	1000	BOSA	BOSTON ACOUSTICS INC	1000	500
ALKS	ALKERMES INC	500	1000	BOST	BOSTON DIGITAL CORP	1000	500
AORGB	ALLEN ORGAN CO CL B	200	500	BOXXA	BOX ENERGY CP CL A	1000	500
ABGA	ALLIED BANKSHARES	200	500	BRCOA	BRADY W H CO CL A	1000	500
ALGR	ALLIED GROUP INC	500	1000	BTSB	BRAINTREE SAV BK THE	500	1000
ALET	ALOETTE COSMETICS	500	1000	BRDN	BRANDON SYSTEMS CORP	200	500
ARELW	ALPHAREL INC WTS 94	1000	500	BRDL	BRENDLE'S INC	1000	500
AMBC	AMER BNCP OHIO	200	500	BMTC	BRYN MAWR BK CORP	1000	500
AFIL	AMER FILTRONA CORP	500	200	BTLR	BUTLER MFG CO	1000	500
RICE	AMER RICE INC	500	200	C			
AMSC	AMER SUPERCONDUCTOR	200	500	CASH	C A SHORT INT'L INC	500	1000
AMGD	AMER VANGUARD CORP	200	500	CBLMW	C B L MEDICAL WTS	1000	500
AMWD	AMER WOODMARK CORP	1000	500	CCBF	C C B FIN CORP	500	1000
ASGR	AMERICA SERVICE GROUP	200	500	CENF	C E N F E D FIN CORP	500	1000
AWII	AMERIWOOD INDS INT'L	500	1000	CERB	C E R B C O INC	500	200
AMOS	AMOSKEAG CO	1000	500	CIMC	C I M C O INC	1000	500
AMPI	AMPLICON INC	500	200	LAWR	C M S/D A T A CORP	1000	500
ANRG	ANERGEN INC	200	500	CNBE	C N B BANCSHARES INC	500	1000
ARIB	ASPEN IMAGING INT'L	1000	500	CORR	C O R THERAPEUTICS	500	1000
ATKM	ATEK METALS CENTER	500	200	CPBI	C P B INC	1000	500
ATWD	ATWOOD OCEANICS INC	1000	500	CSFCB	C S F HLDGS INC CL B	500	1000
ACAM	AUTOCAM CORP	1000	500	CSPI	C S P INC	1000	500
TOTAC	AUTOTOTE INC CL A	1000	500	CAMDW	CAL MICRO DEVICE WTS	500	1000
AVTR	AVATAR HLDGS INC	1000	500	CWTR	CAL WATER SVC CO	500	1000
B				CFHC	CALIFORNIA FIN HLDG	500	1000
BFEN	B F ENTERPRISES INC	200	500	CCLPZ	CALLON CON LP UTS	1000	500
BFSI	B F S BANKORP INC	200	500	WINEA	CANANDAIGUA WINE A	500	1000
BHAGB	B H A GROUP INC CL B	500	200	CANX	CANNON EXPRESS	1000	500
BNHB	B N H BNSH INC	1000	500	HKYIF	CANSTAR SPORTS INC	500	200
BTRIC	B T R REALTY INC	500	1000	CYNRW	CANYON RES CP WTS	500	1000
BPMI	BADGER PAPER MILLS	200	500	CCBT	CAPE COD BK TR CO	500	1000
BWINB	BALDWIN LYONS CL B	500	200	CAII	CAPITAL ASSOCIATES	1000	500
BGII	BALLY GAMING INT'L	500	1000	CABK	CAPITAL BANCORP	1000	500
BTEK	BALTEK CORP	500	200	CBCL	CAPITOL BANCORP LTD	200	500

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
CAFS	CARDINAL FIN GP	500	200	DICN	DICEON ELCTRONICS	1000	500
CAVR	CARVER CP	1000	500	DIPCW	DIGITAL PRODS WTS A	1000	500
CATY	CATHAY BANCORP INC	500	1000	DIPCZ	DIGITAL PRODS WTS B	1000	500
CELIW	CEL SCI CP WTS 95	500	1000	DVRS	DIVERSCO INC	1000	500
CEBC	CENTENNIAL BNCP	500	1000	DVCR	DIVERSICARE INC	1000	500
CEBK	CENTRAL CO-OP BANK	1000	500	DOUG	DOUGLAS AND LOMASON	500	1000
KOKO	CENTRAL INDIANA BNCP	1000	500	DRCO	DYNAMICS RESEARCH CORP	1000	500
CJFC	CENTRAL JERSEY FIN	200	500				
CSBC	CENTRAL SOUTHERN HLDG	200	500	E			
CSBI	CENTURY SOUTH BKS	200	500	ERLYE	E R L Y INDUSTRIES	1000	500
CHLN	CHALONE WINE GRP LTD	500	1000	EROI	E R O INC	500	1000
CFED	CHARTER FSB BANCORP	500	1000	EZEM	E Z EM INC	1000	500
CHEM	CHEMPOWER INC	1000	500	EBSI	EAGLE BANCSHARES	500	1000
DOCKS	CHICAGO DOCK SBI	1000	500	ELCN	ELCO INDS INC	1000	500
CDCRA	CHILDRENS DIS CTRS CL A	500	200	ETCIA	ELECTRONIC TELECOMM CL A	1000	500
CSFT	CHIPSOFT INC CL A	200	500	EMBX	EMBEX INC	500	1000
CHMD	CHRONIMED INC	500	1000	EMBXW	EMBEX INC WTS 96	500	1000
CINF	CINCINNATI FINANCIAL	500	1000	ENNI	ENERGYNORTH INC	1000	500
CFNE	CIRCLE FINE ART CORP	500	1000	EASI	ENGINEERED SUPPORT	1000	500
CINS	CIRCLE INCOME SHARES	500	1000	ENZNW	ENZON INC WTS 94	1000	500
CSYI	CIRCUIT SYSTEMS INC	500	1000	ESCA	ESCALADE INC	1000	500
CHCO	CITY HOLDING CO	200	500	ECGC	ESSEX COUNTY GAS CO	200	500
CIVC	CIVIC BANCORP	1000	500	EVGN	EVERGREEN BANCORP	500	1000
CGAS	CLINTON GAS SYS	1000	500				
COLL	COLLINS INDS INC	500	1000	F			
CCOA	COMCOA INC	500	200	FMBN	F & M BANCORP (MD)	200	500
CBWV	COMMERCE BANC CORP	500	1000	FMNT	F AND M NATIONAL CORP	500	1000
COBAP	COMMERCE BNCP PFD B	200	500	FFSB	F F BANCORP INC	500	1000
CBNB	COMMERCEBANCORP	500	1000	FFFG	F F O FIN GRP INC	500	1000
CBOCA	COMMERCIAL BNCP COLO CL A	500	1000	FLSHP	F L S HLDGS A PFD	200	500
CBKS	COMMNWLTH BCSHS	1000	500	FRPP	F R P PROPERTIES INC	200	500
CECOA	COMMUN ENTMT CL A	1000	500	FICI	FAIR ISAAC AND CO	1000	500
CBKI	COMMUNITY BANKS INC	200	500	FLCP	FALCON PRODUCTS INC	500	1000
CMTL	COMTECH TELECOMM CORP	1000	500	FMLY	FAMILY BANCORP	500	1000
CFIB	CONS FIBRES INC	500	200	FSCR	FEDERAL SCREW WORKS	200	500
COPIC	CONS PRODUCTS INC	1000	500	FITC	FINANCIAL TRUST CORP	200	500
CSOL	CONVERGENT SOLUTION	1000	500	FACT	FIRST ALBANY COS INC	500	1000
COOL	COOPER DEVELOPMENT	500	200	FAMA	FIRST AMARILLO BNCP	200	500
ZAPS	COOPER LIFE SCI INC	500	200	FAMF	FIRST AMFED CORP	500	1000
COOP	COOPERATIVE BK SAV	200	500	FBNC	FIRST BNCP TROY, NC	200	500
CSTN	CORNERSTONE FIN CORP	500	200	FCHT	FIRST CHATTANOOGA	200	500
CSTR	COSTAR CORP	500	1000	FCIT	FIRST CITIZENS FIN	500	1000
CRCC	CRAFTMATIC CONTOUR	500	200	FFMY	FIRST FED S&L FT MYERS	500	1000
CSCI	CRYENCO SCIENCES INC	500	1000	FLAG	FIRST FED SAV BK LAG	200	500
CULP	CULP INC	1000	500	FFPR	FIRST FED SAV BK PR	500	1000
CTHI	CYTOTHERAPEUTICS INC	200	500	FRCC	FIRST FIN CARIB CORP	1000	500
				THFF	FIRST FIN CP (IN)	500	200
D				FFCH	FIRST FIN HLDG	500	1000
DARTA	DART GROUP CP CL A	500	200	FFWM	FIRST FIN MARYLAND	500	1000
DATX	DATA TRANSLATION INC	500	200	FGHC	FIRST GEORG HLDGS	200	500
DKEY	DATAKEY INC	1000	500	FIBI	FIRST INTER BANCORP	500	1000
DMAR	DATAMARINE INT'L INC	200	500	FMSB	FIRST MUTUAL SAV BK	500	200
DSCC	DATASOUTH COMPUTER	1000	500	FNGB	FIRST NORTHERN SAV BK	500	1000
DWCH	DATAWATCH CORP	500	1000	FOBBA	FIRST OAK BROOK CL A	200	500
DWCHW	DATAWATCH CORP WTS	500	1000	FWBI	FIRST WESTERN BNCP	500	1000
DATM	DATUM INC	1000	500	FLGLA	FLAGLER BANK CP CL A	200	500
DAVX	DAVOX CORP	1000	500	FLGF	FLAGSHIP FIN CP	1000	500
DEER	DEERBANK CORP	200	500	FLXS	FLEXSTEEL INDS	1000	500
DSSI	DEFENSE SOFTWARE SYS	200	500	FFPC	FLORIDA FIRST FED	500	1000
DGAS	DELTA NATURAL GAS	1000	500	FLBK	FLORIDABANK FSB	500	1000
DIDIF	DESTRON/I D I INC	500	1000	FOILO	FOREST OIL CORP PFD	200	500
DTRX	DETREX CORP	1000	500	FOILW	FOREST OIL CORP WTS 96	200	500

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
FRTHZ	FOURTH FIN CORP DEP SH	500	1000	IFDCA	INDUSTRIAL FUNDING CL A	1000	500
FRAM	FRAME TECH CORP	500	1000	IHIW	INDUSTRIAL HLDG WTS A	200	500
FSBX	FRAMINGHAM SAV BK	1000	500	IHIIZ	INDUSTRIAL HLDG WTS B	200	500
FKFD	FRANKFORD CORP THE	500	200	IHII	INDUSTRIAL HLDGS INC	200	500
FELE	FRANKLIN ELECTRIC CO	1000	500	ITCC	INDUSTRIAL TRAINING	200	500
G				IITCF	INTERA INFO TECH A	1000	500
GWCC	G W C CORP	1000	500	ICAR	INTERCARGO CORP	500	1000
GANL	GALEY & LORD INC	500	1000	IPICZ	INTERNEURON WTS B 95	1000	500
GBAN	GATEWAY BANCORP INC	500	200	J			
GCOR	GENCOR INDUSTRIES	500	1000	JACO	JACO ELECTRONICS INC	500	1000
GENBB	GENESEE CORP CL B	500	200	JASN	JASON INC	500	1000
GENIP	GENETICS INSTIT PFD	500	200	JBNK	JEFFERSON BKSHS VA	500	1000
GENIW	GENETICS INSTIT WTS	500	1000	JNBK	JEFFERSON NAT'L BANK	500	1000
GBFH	GEORGIA BONDED FIBER	200	500	PNUT	JIMBO'S JUMBOS INC	500	1000
GIGA	GIGA TRONICS INC	500	200	WILLA	JOHN WILEY SONS CL A	1000	500
GILD	GILEAD SCIENCES INC	200	500	JSBK	JOHNSTOWN SAV BK FSB	500	200
GNBC	GLENDALE BNCP	200	500	SPLKA	JONES SPACELINK CL A	500	1000
GOOD	GOODY PRODUCTS INC	500	1000	K			
GBBS	GREAT BAY BANKSHARES	500	1000	KCSE	K C S ENERGY INC	500	1000
GFGC	GREAT FALLS GAS CO	500	200	KLLM	K L L M TRANSPORT SV	200	500
GSBC	GREAT SOUTHERN BNCP	1000	500	KTHI	K TRON INT'L INC	500	1000
GFCT	GREENWICH FIN CORP	500	1000	KINN	KINNARD INV INC	1000	500
GSOE	GROUP I SOFTWARE INC	1000	500	KOPN	KOPIN CORP	1000	500
GMRK	GULFMARK INT'L INC	1000	500	KRUG	KRUG INT'L CORP	1000	500
GBSI	GWINNETT BANCSHARES	200	500	L			
H				LCSI	L C S INDS INC	200	500
HFFC	H F FINANCIAL CORP	500	1000	LXBK	L S B BANCSHARES NC	200	500
HDVSW	H. D. VEST WTS A 93	1000	500	LSNB	LAKE SHORE BANCORP	500	1000
HDVSZ	H. D. VEST WTS B 94	1000	500	LAKE	LAKELAND INDS INC	1000	500
HWEC	HALLWOOD ENGY COS	500	200	LPAC	LASER-PACIFIC MEDIA	500	1000
HBHC	HANCOCK HLDG CO	500	1000	LBTYA	LIBERTY MEDIA CORP CL A	500	1000
HATH	HATHAWAY CORP	500	1000	LBTYB	LIBERTY MEDIA CORP CL B	500	200
HVFD	HAVERFIELD CORP	200	500	LUSA	LIFE U S A HLDG INC	500	1000
HEALW	HEALTHWATCH WTS A	500	200	LINN	LINCOLN FOODSVC PROD	1000	500
HEALZ	HEALTHWATCH WTS B	500	200	LNSB	LINCOLN SAVINGS BANK	200	500
HECHB	HECHINGER CO CL B	1000	500	LIQB	LIQUI BOX CORP	200	500
HELX	HELIX TECHNOLOGY CORP	1000	500	LAFCB	LOAN AMER FIN CL B	200	500
HERS	HERITAGE FIN SVC IL	500	1000	LONDY	LONDON INT'L PLC ADR	500	200
HOENW	HOENIG GP WTS A	1000	500	LEIX	LOWRANCE ELECTRONICS	500	1000
HOLO	HOLOPAK TECHS INC	1000	500	M			
HBENB	HOME BENEFICIAL CORP CL B	500	1000	MMIM	M M I MEDICAL INC	500	200
HFMD	HOME FED CORP	500	200	MACD	MACDERMID INC	500	200
HFSF	HOME FED FIN CORP	200	500	MKTAY	MAKITA CP SPONS ADR	200	500
HPBC	HOME PORT BNCP INC	1000	500	MLIC	MANHATTAN LIFE GUAR	500	200
HMCI	HOMECORP INC	200	500	MRCB	MARCUS CORP	500	1000
HOME	HOMEDCO GP INC	500	1000	MRCC	MARK CONTROLS CORP NEW	500	1000
HMTB	HOMETRUST BANK	500	1000	MFAC	MARKET FACTS INC	200	500
HFIN	HORIZON FIN SVC INC	500	1000	MRTN	MARTEN TRANSPORT LTD	200	500
HYBDW	HYCOR BIOMEDICAL WTS	1000	500	MASB	MASSBANK CORP	500	1000
HYDE	HYDE ATHLETIC INDS	200	500	MFLR	MAYFLOWER CO-OP BK	500	200
I				MTIX	MECHANICAL TECH INC	500	200
ICOC	I C O INC	1000	500	MDIN	MEDALIST INDS	1000	500
IIVI	I I V I INC	1000	500	MDEV	MEDICAL DEVICES	1000	500
INTK	I N O T E K TECH CORP	1000	500	MDIX	MEDICAL DIAGNOSTICS	200	500
ILIOW	ILIO INC WTS 93	1000	500	MSYS	MEDICAL TECH SYS INC	500	1000
MPAC	IMPACT SYSTEMS INC	1000	500	MSYSZ	MEDICAL TECH WTS 96	200	500
INDB	INDEP BK CORP MA	200	500	MECS	MEDICUS SYS CORP	1000	500
IUBC	INDIANA UNITED BNCP	500	200				
IACI	INDUSTRIAL ACOUSTICS	200	500				

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
MEGX	MEGACARDS INC	200	500	PVIR	PENN VIRGINIA CORP	500	1000
MEMXY	MEMOREX TELEX NV ADR	500	1000	PNTAP	PENTAIR INC PFD 87	1000	500
MPTBS	MERIDIAN PT RLTY TR	500	200	PBNB	PEOPLES SAV FIN CORP	500	1000
MERS	MERIS LABS INC	500	1000	PRFM	PERFUMANIA INC	500	1000
METS	MET COIL SYSTEMS CORP	1000	500	PHNI	PHOENIX RESOURCE COS	1000	500
MEOHF	METHANEX CORP	500	1000	PBGI	PIEDMONT BKGP INC	200	500
MIDS	MID SOUTH INS CO	1000	500	PSBN	PIONEER BANCORP INC	500	1000
MSSB	MID STATE FED SAV BK	500	1000	PFBC	PIONEER FED BNCP	1000	500
MIDC	MIDCONN BANK	1000	500	PSFC	PLAINS SPIRIT FIN	500	1000
MFRI	MIDWESCO FILTER	1000	500	SIGN	PLASTI LINE INC	500	1000
SHOZC	MILLFELD TRD WT CL A	500	200	PRAN	PREMIER ANESTHESIA	500	1000
MILT	MILTOPE GROUP INC	500	1000	PBKC	PREMIER BKSHS	200	500
MILW	MILWAUKEE INS GROUP	200	500	PSSP	PRICE STERN SLOAN	1000	500
MYTK	MITEK SURGICAL PRODS	200	500	PENG	PRIMA ENERGY CORP	500	1000
MTNR	MOUNTAINEER BKSHS WV	200	500	PRGS	PROGRESS SOFTWARE CORP	500	1000
LABL	MULTI COLOR CORP	1000	500	PSBK	PROGRESSIVE BANK INC	500	1000
N				PROS	PROSPECT GP INC	1000	500
NBTB	N B T BANCORP INC	200	500	PCOL	PROTOCOL SYS INC	200	500
BLDG	N C I BLDG SYSTEM	500	1000	PWRR	PROVIDENCE WORCES RR	200	500
NIPNY	N E C CORP ADR	500	1000	PRBK	PROVIDENT BNCP INC	200	500
NFSF	N F S FIN CORP	500	1000	PECN	PUBLISHERS EQUIP CORP	1000	500
NHDI	N H D STORES INC	500	200	PLFC	PULASKI FURNITURE CORP	1000	500
NWGI	N W GROUP INC	1000	500	PTNM	PUTNAM TRUST CO	500	200
POPS	NAT'L BEVERAGE CORP	500	1000	Q			
NCMC	NAT'L CAP MGT CORP	500	1000	QDELW	QUIDEL CORP WTS 2000	1000	500
NIRTS	NAT'L INCOME RLT TRUST	1000	500	QUIP	QUIPP INC	200	500
NAIG	NAT'L INSURANCE GRP	200	500	R			
MBLA	NAT'L MERCANTILE BNCP	1000	500	RDCR	RADIATION CARE INC	500	1000
NPBC	NATL PENN BSCHS INC	200	500	RARB	RARITAN BANCORP INC	200	500
NSBA	NAT'L SAV BK ALBANY	500	1000	RDRT	READ-RITE CORP	500	1000
NBTY	NATURE'S BOUNTY INC	500	1000	RECP	RECEPTECH CP CALL	500	200
NAVG	NAVIGATORS GRP INC	1000	500	REED	REEDS JEWELERS INC	500	200
NHSL	NEW HORIZONS S&L	200	500	RFTN	REFLECTONE INC	1000	500
NDCOP	NOBLE DRILLING PFD	500	1000	RGEQ	REGENCY EQUITIES CORP	500	200
NAMC	NORTH AMER NAT'L CP	1000	500	REGB	REGIONAL BNCP INC	500	1000
NTRSZ	NORTHERN TR DEP SHRS	1000	500	REAL	RELIABILITY INC	500	1000
FERTP	NU WEST INDS PFD A	500	200	ARBC	REPUBLIC BANK CAL	500	200
NUCM	NUCLEAR METALS INC	1000	500	RSFC	REPUBLIC SAV FIN CORP	200	500
O				REXL	REXHALL INDS INC	1000	500
OESI	O E S I POWER CORP	1000	500	RHEM	RHEOMETRICS INC	1000	500
OHSC	OAK HILL SPORTSWEAR	1000	500	RING	RINGER CORP	500	1000
OGLE	OGLEBAY NORTON CO	200	500	RFBC	RIVER FOREST BNCP	500	1000
OHBC	OHIO BNCP YOUNGSTOWN	500	1000	RNRC	RIVERSIDE NAT'L BANK	200	500
OLDB	OLD NAT'L BNCP	500	1000	ROBC	ROBEC INC	1000	500
OSTNO	OLD STONE PFB B 2.40	1000	500	RNIC	ROBINSON NUGENT INC	1000	500
OMEF	OMEGA FIN CORP	500	200	RMHI	ROCKY MOUNT HELICOPT	1000	500
OSBN	OSBORN COMM CP	1000	500	RMUC	ROCKY MT UNDERGARMNT	1000	500
OCOAC	OUTLET COMM CL A	1000	500	RULE	RULE INDS INC	1000	500
P				RBCO	RYAN BECK CO INC	200	500
PBSF	PACIFIC BANK N A	500	1000	S			
PDLPY	PACIFIC DUNLOP ADR	1000	500	STBA	S & T BANCORP INC	200	500
PISC	PACIFIC INT'L SVC CORP	1000	500	SBRNW	S A N B O R N WTS	1000	500
PTMLY	PALMER TUBE MILL ADR	200	500	SKFB	S K FAMOUS BRANDS	1000	500
PBCI	PAMRAPO BNCP INC	1000	500	SAFE	SAFETYTEK CORP	500	1000
PARK	PARK NAT'L CORP	200	500	SHRE	SAHARA RESORTS	500	200
PKWY	PARKWAY CO	500	200	SHEF	SANDWICH CHEF INC	500	1000
PATK	PATRICK INDS INC	500	200	SWCB	SANDWICH CO-OP BANK	1000	500
PMFG	PEERLESS MFG CO	1000	500	STMI	SATELLITE TECH MGMT	200	500
PTAC	PENN TREATY AMER CORP	500	1000	SAYTW	SAYETT GRP INC WTS	500	1000

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
SAYT	SAYETT GROUP INC	500	1000	U			
SCLN	SCICLONE PHARMA INC	500	1000	UFBI	U F BANCORP INC	500	1000
SCLNW	SCICLONE PHARMA WTS	500	1000	UNRIW	U N R INDS INC WTS	500	1000
SCGN	SCIGENICS INC CLLBLE	500	1000	USHO	U S HOMECARE CORP	500	1000
SCOT	SCOTT AND STRINGFELLOW	200	500	USRX	U S ROBOTICS INC	500	1000
SHER	SCOTTISH HERITABLE	500	200	UNFR	UNIFORCE TEMP PERSNL	1000	500
SECM	SECOM GENERAL CORP	500	1000	UPCPO	UNION PLANTERS PFD E	200	500
SECD	SECOND BANCORP INC	200	500	UNCF	UNITED COS FINANCIAL	1000	500
SCBC	SECURITY CAP BNCP	500	1000	UNSA	UNITED FIN CORP S C	500	1000
SFSL	SECURITY FED SAV CLEV	200	500	UICI	UNITED INS COS INC	500	1000
SECF	SECURITY FIN HLDG CO	200	500	UNEWY	UNITED NEWSPAPER ADR	500	200
SNFCA	SECURITY NAT'L FIN CL A	500	200	UBMT	UNITED SAV BK F A MT	500	200
SSVB	SECURITY SAV FSB	500	200	UHCO	UNIV HOLDING CORP	500	1000
SSBC	SHELTON BNCP INC	500	200	USAC	UNIVERSAL SEISMIC	200	500
SHOP	SHOPSMITH INC	1000	500	UPEN	UPPER PENINSULA ERGY	200	500
SETC	SIERRA RL EST TR 84	500	200	UBAN	USBANCORP INC PA	500	1000
SMTSZ	SOMANETICS CORP WTS B	500	1000	V			
SOMR	SOMERSET GRP INC THE	500	200	VSBC	V S B BNCP INC	1000	500
SNSTA	SONESTA INT'L CL A	200	500	VALN	V ALLEN CORP	1000	500
SSBB	SOUTHINGTON SAV BK	500	200	VALY	VALLICORP HLDGS INC	1000	500
SPEK	SPEC'S MUSIC INC	1000	500	VCRE	VARI CARE INC	500	200
SPIR	SPIRE CORP	1000	500	VRSY	VARITRONIC SYS INC	1000	500
SPLE	SPORTS/LEISURE INC	500	1000	VNTX	VENTRITEX INC	200	500
STRS	SPROUSE REITZ STR NV	1000	500	VICT	VICTORIA BKSHS	500	1000
SBLIW	STAFF BLUILDERS WTS	500	1000	VLGEA	VILLAGE SUPER MKT A	200	500
SDYNW	STAODYN INC WTS	1000	500	VTSS	VITESSE SEMICONDUCTOR	200	500
SOTA	STATE OF THE ART INC	500	1000	VOLVY	VOLVO AB CL B ADR	1000	500
SWVA	STEEL WEST VIRGINIA	500	1000	W			
STRB	STROBER ORGANIZATION	500	200	WAIN	WAINWRIGHT BK TR CO	1000	500
SUBK	SUFFOLK BNCP	200	500	WCLBW	WAREHOUSE CLUB WTS	1000	500
SUMI	SUMITOMO BANK OF CA	1000	500	WFSB	WASHINGTON FED SAV VA	500	1000
SMMT	SUMMIT BANCORP	1000	500	WAMUP	WASHINGTON MUT PFD A	1000	500
SNRU	SUNAIR ELECTRONICS	200	500	WATFZ	WATERFORD PLC ADR UT	500	200
SNLT	SUNLITE INC	500	200	WTRS	WATERS INSTRUMENTS	500	200
SRBC	SUNRISE BNCP CALIF	200	500	WAVR	WAVERLY INC	1000	500
SGTI	SURGICAL TECH INC	1000	500	WEDC	WEDCO TECHNOLOGY INC	1000	500
SUSQ	SUSQUEHANNA BCSHS	500	1000	WGNR	WEGENER CORP	1000	500
SYMK	SYM TEK SYSTEMS INC	200	500	WLPI	WELLINGTON LEISURE	500	200
SYNC	SYNALLOY CORP	200	500	WSBC	WESBANCO INC	200	500
SYQT	SYQUEST TECH INC	200	500	WCBC	WEST COAST BNCP CA	1000	500
T				WSBK	WESTERN BANK OREGON	500	1000
TCII	T C I INT'L INC	1000	500	WFPR	WESTERN FED SAV P R	500	200
TECN	TECHNALYSIS CORP	1000	500	WTPR	WETTERAU PROPERTIES	200	500
TECUB	TECUMSEH PRODS CL B	500	1000	WFRAF	WHARF RESOURCES LTD	500	200
TANT	TENNANT CO	1000	500	WTNY	WHITNEY HLDG CORP	500	1000
WATR	TETRA TECH INC	200	500	WFMI	WHOLE FOODS MARKET	200	500
FNOW	THE FUTURE NOW INC	500	1000	WMSI	WILLIAMS INDS INC	1000	500
TMSTA	THOMASTON MILLS CL A	200	500	WCHI	WORKINGMENS CAP HLDG	200	500
TMBS	TIMBERLINE SOFTWARE	1000	500	WFDS	WORTHINGTON FOODS	500	1000
TOCRZ	TOCOR II INC UTS 96	500	1000	X			
TODDA	TODD A O CP CL A	200	500	XPLR	XPLOR CORP	500	200
TKIOY	TOKIO MARINE ADR	1000	500	Y			
TELU	TOTAL-TEL USA COMM	1000	500	YSCO	YES CLOTHING CO	1000	500
TRFI	TRANS FIN BNCP INC	500	1000	Z			
TRNI	TRANS INDS INC	1000	500	ZSEV	Z SEVEN FUND INC THE	500	200
TWBC	TRANSWORLD BNCP	500	200	ZEUS	ZEUS COMPONENTS INC	1000	500
TRCO	TRICO PRODUCTS CORP	200	500	ZIGO	ZYGO CORP	1000	500
TCBC	TRUST CO BNCP THE	1000	500				
TRMK	TRUSTMARK CORP	500	1000				
TUSC	TUSCARORA INC	500	1000				

Notice To Members

National Association of Securities Dealers, Inc.

November 1992

Number 92-63

Suggested Routing:*

- Senior Management
- Corporate Finance
- Government Securities
- Institutional

- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund

- Operations
- Options
- Registration
- Research

- Syndicate
- Systems
- Trading
- Training

*These are suggested departments only. Others may be appropriate for your firm.

Subject: Christmas Day and New Year's Day — Trade Date-Settlement Date Schedule

Securities exchanges and The Nasdaq Stock MarketSM will be closed on Friday, December 25, 1992, Christmas Day, and Friday, January 1, 1993, New Year's Day. "Regular way" transactions made on the preceding business days will be subject to the settlement date schedule listed below.

Trade Date	Settlement Date	Reg. T Date*
Dec. 17	Dec. 24	Dec. 29
18	28	30
21	29	31
22	30	Jan. 4, 1993
23	31	5
24	Jan. 4, 1993	6
25	Markets Closed	—
28	5	7
29	6	8
30	7	11
31	8	12
Jan. 1, 1993	Markets Closed	—
4	11	13

Brokers, dealers, and municipal securities dealers should use these settlement dates to clear and settle transactions pursuant to the NASD[®] Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the NASD Uniform Practice Department at (212) 858-4341.

*Pursuant to Sections 220.8(b)(1) and (4) of Regulation T of the Federal Reserve Board, a broker/dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 220.8(d)(1), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Reg. T Date."

Notice To Members

National Association of Securities Dealers, Inc.

November 1992

Number 92-64

Suggested Routing:*

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input checked="" type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input checked="" type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: Nasdaq National Market[®] Additions, Changes, and Deletions as of October 26, 1992

As of October 26, 1992, the following 47 issues joined the Nasdaq National Market, bringing the total number of issues to 2,947:

Symbol	Company	Entry Date	SOES Execution Level
FMDD	F & M Distributors, Inc.	9/25/92	500
USML	Universal Standard Medical Labs., Inc.	9/25/92	1000
UTCIV	Uniroyal Technology Corporation	9/28/92	1000
UBNKZ	Union Bank-Depository Shares	9/30/92	1000
PDRR	Alpine Meadows of Tahoe, Inc.	10/01/92	1000
CSAR	Caraustar Industries, Inc.	10/01/92	1000
JUST	Just Toys, Inc.	10/01/92	1000
NKOT	Nu-kote Holding, Inc. (Cl A)	10/01/92	1000
ADLAC	Adelphia Communications Corporation (Cl A)	10/02/92	500
EFII	Electronics for Imaging, Inc.	10/02/92	200
XLTC	Excel Technology, Inc.	10/02/92	500
PHMC	Plaza Home Mortgage Corporation	10/02/92	1000
FROK	FirstRock Bancorp, Inc.	10/05/92	1000
DDDDF	4th Dimension Software Ltd.		
	Ordinary Shares	10/06/92	1000
ARCH	Arch Petroleum, Inc.	10/06/92	1000
BWSIL	BioMedical Waste Systems, Inc. (Cl B)(Wts)	10/06/92	1000
BWSI	BioMedical Waste Systems, Inc.	10/06/92	1000
DSPT	DSP Technology Inc.	10/06/92	500
MCAF	McAfee Associates, Inc.	10/06/92	1000
MTMI	Microtek Medical, Inc.	10/06/92	1000
NCTI	Noise Cancellation Technologies, Inc.	10/06/92	1000
NSCF	Northstar Computer Forms, Inc.	10/06/92	200
SPMT	Sportmart, Inc.	10/06/92	1000

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Symbol	Company	Entry Date	SOES Execution Level
RACE	DATA RACE, Inc.	10/07/92	1000
CJGPF	Chai-Na-Ta Ginseng Products Limited	10/09/92	500
BPIE	BPI Environmental, Inc.	10/12/92	1000
TODH	Todhunter International, Inc.	10/13/92	1000
CPLY	Copley Pharmaceutical, Inc.	10/14/92	1000
IQSW	IQ Software Corporation	10/15/92	1000
ABTI	Alpha-Beta Technology, Inc.	10/16/92	1000
CMMD	Command Security Corporation	10/16/92	1000
FRTZ	Fritz Companies, Inc.	10/16/92	1000
TACO	Taco Cabana, Inc. (CI A)	10/16/92	1000
BRKT	Brooktrout Technology, Inc.	10/20/92	1000
COSFF	Corel Corporation	10/21/92	1000
KMET	KEMET Corporation	10/21/92	1000
HOFL	Home Savings Bank, F.S.B.	10/22/92	500
IMGA	ImageAmerica, Inc.	10/22/92	1000
OLCMF	Olicom A/S	10/22/92	1000
PCLI	Physicians Clinical Laboratory, Inc.	10/22/92	1000
PSQL	Platinum Software Corporation	10/22/92	500
SBIB	Sterling Bancshares, Inc.	10/22/92	500
BMTN	Boomtown, Inc.	10/23/92	1000
CITA	CITATION Computer Systems, Inc.	10/23/92	1000
CMAG	Casino Magic Corp.	10/23/92	1000
CMBI	Central Mortgage Bancshares, Inc.	10/23/92	500
SFNCA	Simmons First National Corporation (CI A)	10/26/92	200

Nasdaq National Market Symbol and/or Name Changes

The following changes to the list of Nasdaq National Market securities occurred since September 28, 1992:

New/Old Symbol	New/Old Security	Date of Change
QUIN/XCEL	Quincy Savings Bank/Excel Bancorp, Inc.	9/29/92
TRNZ/AICP	Trinzic Corp./AICorp	10/01/92
SOSA/SOSA	Somerset Savings Bank/Somerset Bankshares, Inc.	10/01/92
MORR/MORR	Morrison Restaurants Inc./Morrison Inc.	10/05/92
TXMX/TXMX	El Chico Restaurants, Inc./Southwest Cafes, Inc.	10/12/92
ELCH/TXMX	El Chico Restaurants, Inc./El Chico Restaurants, Inc.	10/13/92
VIRO/MSMR	ViroGroup, Inc./Missimer & Associates, Inc.	10/16/92
BOMS/BOMS	BancorpSouth, Inc./Bancorp of Mississippi Inc.	10/22/92
DOSEW/DOSEW	Choice Drug Systems, Inc. - 3/31/93 (Wts)/Choice Drug Systems Inc. 10/31/92 (Wts)	10/22/92
NCELW/NCELW	Nationwide Cellular Service Inc.- 2/15/93 (Wts)/Nationwide Cellular Svcs. Inc. - 10/28/92 (Wts)	10/22/92

Nasdaq National Market Deletions

Symbol	Security	Date
ECRC	Employer's Casualty Company	9/25/92
FABKN	First of America Bank Corp. - Ser. E (Pfd)	9/28/92
FABKM	First of America Bank Corp. - Ser. G (Pfd)	9/28/92
BULKF	B & H Bulk Carriers, Ltd.	9/29/92

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Symbol	Security	Date
CDRGQ	Cedar Group, Inc.	9/29/92
NUMS	Nu-Med, Inc.	9/29/92
FFNS	First Savings Bancorp	10/01/92
SFGI	Security Financial Group, Inc.	10/01/92
SFSI	Sunwest Financial Services, Inc.	10/01/92
WSVS	Wiland Services, Inc.	10/01/92
QUAN	Quantronix Corporation	10/02/92
SCAF	Surgical Care Affiliates, Inc.	10/02/92
DUFM	Durr-Fillauer Medical, Inc.	10/06/92
CYTOP	Cytogen Corporation - \$2.50 Cv. (Pfd)	10/08/92
HWRD	Howard Savings Bank (The)	10/08/92
MAGAF	Magna International Inc. (Cl A)	10/09/92
JAIL	Adtec, Inc.	10/13/92
QZMGF	Quartz Mountain Gold	10/14/92
SVAN	Savannah Foods & Industries, Inc.	10/14/92
CSTP	Congress Street Properties, Inc.	10/15/92
INBF	INB Financial Corporation	10/15/92
PFSB	Piedmont Federal Corporation	10/15/92
CEMC	Century MediCorp, Inc.	10/16/92
IFII	Indiana Financial Investors, Inc.	10/19/92
FLER	Fleer Corporation	10/20/92
AXXN	Action Auto Rentals, Inc.	10/21/92
MOOR	Moorco International Inc.	10/21/92
PHNI	Phoenix Resource Companies, Inc. (The)	10/22/92
KMSI	KMS Industries, Inc.	10/23/92
SRAMC	Simtek Corporation	10/23/92
SRAWC	Simtek Corporation (Wts) 3/6/96	10/23/92
AEGSY	Aegis Group PLC	10/26/92
CCNC	CCNB Corporation	10/26/92
HRZN	Horizon Industries, Inc.	10/26/92

Questions regarding this Notice should be directed to Mark A. Esposito, Supervisor, Market Listing Qualifications, at (202) 728-8002. Questions pertaining to trade reporting rules should be directed to Bernard Thompson, Assistant Director, NASD Market Surveillance, at (301) 590-6436.

Disciplinary Actions

National Association of Securities Dealers, Inc.

November 1992

Disciplinary Actions Reported for November

The NASD[®] is taking disciplinary actions against the following firms and individuals for violations of the NASD Rules of Fair Practice; 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, November 16, 1992. The information relating to matters contained in this Notice is current as of the fifth of this month. Information received subsequent to the fifth is not reflected in this publication.

FIRMS EXPELLED, INDIVIDUALS SANCTIONED

American Asset Management Corp. (Salt Lake City, Utah) and Karyl Eugene Harkins, Jr. (Registered Principal, Sandy, Utah). The firm was fined \$20,000, jointly and severally with Harkins and expelled from membership in the NASD. Harkins was also barred from association with any member of the NASD in any capacity. The sanctions were based on findings that the firm, acting through Harkins, failed to respond to NASD requests for information and to file certain FOCUS Part I reports on a timely basis. In addition, the firm failed to file its FOCUS Parts I and IIA reports for certain periods.

Guardian International Securities Corp. (Miramar, Florida), Jaime Santiago Gomez (Registered Principal, Miramar, Florida), Louis Jerry Sitaras (Registered Principal, Hollywood, Florida), and Kenneth Cutler (Registered Principal, Miami, Florida). The firm was fined \$100,000 and expelled from membership in the NASD, and Gomez was fined \$50,000 and barred from association with any member of the NASD in any capacity. Sitaras was fined \$25,000 and barred from association with any member of the NASD in any capacity, and Cutler was fined \$25,000. In addition, the firm and Gomez must pay \$20,674, jointly and severally in restitution to public customers, and, the firm, Gomez and Sitaras must pay \$529,322, jointly and severally in restitution to public customers.

The sanctions were based on findings that the firm, acting through Gomez, Sitaras and Cutler, effected as principal for its own account, over-the-counter sales of a common stock to public

customers at prices that were unfair. The markups on these transactions ranged up to 278 percent over the prevailing market price, in contravention of the NASD's Mark-Up Policy. The firm, acting through Gomez, Sitaras and Cutler, also participated in an unregistered distribution of this same stock to public customers; in contravention of Securities and Exchange Commission (SEC) Rule 10b-6, bid for and/or purchased shares for an account in which it had a beneficial interest; and, in addition, the firm, acting through Gomez and Sitaras, failed to disclose, in writing, to its customers purchasing the stock that it was participating, and had a financial interest, in the distribution of the stock. The aforementioned activity constitutes a manipulative, deceptive or fraudulent device or contrivance by the firm, Gomez and Sitaras, in connection with its customers' purchases of the stock.

The firm, acting through Gomez, also effected principal sales of another common stock to public customers at unfair prices with markups ranging up to 100 percent over the prevailing market price. The firm, acting through Gomez, failed to comply with its restrictive agreement with the NASD and effected transactions in non-exempt securities while failing to maintain its required minimum net capital. Furthermore, the firm, acting through Gomez, failed to accurately prepare its books and records, filed materially inaccurate FOCUS Parts I and IIA reports, and failed to give telegraphic notice with regard to the net capital and recordkeeping deficiencies. The NASD also found that the firm, acting through Gomez, failed to establish, maintain and/or enforce a supervisory system and written procedures and failed to promptly notify the NASD that its sole registered options prin-

principal was terminated. The firm, acting through Gomez, published and sent to its customers a newsletter, which failed to meet applicable standards governing a member's communications with the public. Moreover, the firm, acting through Gomez, failed to respond to NASD requests for information.

Morgan, Callahan & Co., Inc. (Santa Monica, California) and **Richard John Callahan, Jr. (Registered Principal, Venice, California)**. The firm was expelled from membership in the NASD and fined \$70,000, jointly and severally with Callahan. In addition, Callahan was fined an additional \$59,400 and barred from association with any member of the NASD in any capacity.

The sanctions were based on findings that Callahan received from a public customer \$9,400 for the purchase of securities. He failed to purchase such securities and, instead, deposited the funds into a bank account under his control and converted the monies. In addition, the firm and Callahan failed to respond to NASD requests for information.

Furthermore, the firm, acting through Callahan, participated in a best-efforts offering and recommended to public customers the purchase of its stock without having reasonable grounds for believing that such recommendations were suitable for the customers. Moreover, Callahan received remuneration for such purchases when he knew and understood that certain terms of the offering were unsuitable for the customers.

FIRMS SUSPENDED, INDIVIDUALS SANCTIONED

Chapman Securities, Inc. (Wichita, Kansas), **Michael David Relihan (Registered Principal, Wichita, Kansas)**, and **Jeffrey Dean Lee (Registered Principal, Wichita, Kansas)** submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$25,000, jointly and severally. In addition, the firm was suspended from membership in the NASD for five days, and Relihan and Lee must requalify by examination as general securities principals or cease association with any member firm in that capacity. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Relihan and Lee, conducted a securities business while failing to maintain its required minimum net

capital.

Walbridge Securities, Inc. n/k/a Aztec Securities, Inc. (Fort Worth, Texas) and **Ridge Bradley McMichael (Registered Principal, Fort Worth, Texas)** were fined \$1,000, jointly and severally. In addition, the firm was suspended from membership in the NASD for 90 days and McMichael was suspended from association with any member of the NASD in any capacity for 90 days. McMichael must also requalify as a direct participation programs principal or in any other principal capacity. Should McMichael fail to requalify during his suspension period, the firm shall continue to be suspended from membership until McMichael becomes requalified by appropriate principal examination or until the firm has employed another person, other than McMichael, who shall be qualified as a principal.

The sanctions were based on findings that the firm, acting through McMichael, permitted a statutorily disqualified person to act in the capacity of a registered representative of the firm without being qualified or registered. In addition, McMichael failed to supervise the activities of the same individual to prevent him from soliciting public customers and from acting as a registered representative.

FIRMS FINED, INDIVIDUALS SANCTIONED

Heiner & Stock, Inc. (Minneapolis, Minnesota), **Randall R. Heiner (Registered Principal, Medina, Minnesota)**, and **Thomas E. Bullock (Registered Representative, Coon Rapids, Minnesota)**. The firm and Heiner were fined \$25,000, jointly and severally, and Heiner was barred from association with any member of the NASD in any principal capacity. Bullock was fined \$4,000 and suspended from association with any member of the NASD in any capacity for five business days. The National Business Conduct Committee (NBCC) imposed the sanctions on review of a decision by the District Business Conduct Committee (DBCC) for District 4.

The sanctions were based on findings that the firm, acting through Heiner, effected principal sales of common stock to public customers at prices that were unfair and unreasonable. The markups on these transactions ranged from 5 to 150 percent above the prevailing market price. Bullock also participated in the aforementioned sale to public customers at prices that he should have

known were unfair and unreasonable, but failed to disclose this fact to the customers.

San Marino Securities, Inc. (Salt Lake City, Utah), Garth Orson Potts (Registered Principal, Salt Lake City, Utah), and Mark Edwards Eames (Registered Principal, Salt Lake City, Utah). The firm and Potts were fined \$20,000, jointly and severally and Potts was barred from association with any member of the NASD in any capacity. In addition, the firm and Eames were fined \$10,000, jointly and severally and Eames was suspended from association with any member of the NASD in any capacity for five business days. Furthermore, the firm was fined \$5,000, jointly and severally with another registered representative.

The sanctions were based on findings that the firm, acting through Potts, failed to establish and maintain adequate written supervisory procedures and an adequate supervisory system. Potts also failed to respond to an NASD request for information and approved two letters sent to clients that contained false and misleading statements. Furthermore, Eames, acting on behalf of the firm, created and sent to clients a brochure that was misleading.

In addition, the firm, acting through a registered representative, failed to maintain its required minimum net capital.

FIRMS AND INDIVIDUALS FINED

Damon Andrews & Co., Ltd. (New York, New York) and Larry K. Nick (Registered Principal, New York, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$10,000, jointly and severally. In addition, the firm has to employ a qualified, limited financial and operations principal within 60 days of the acceptance of the Letter of Acceptance, Waiver and Consent. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Nick, conducted a securities business while failing to maintain its required minimum net capital.

The findings also stated that the firm, acting through Nick, failed to keep a record of when customer funds were forwarded to a bank trust account. In addition, the NASD found that the firm, acting through Nick, failed to satisfy the contingency on a private placement prior to withdrawing customer funds from its trust account for the is-

suer. The firm, acting through Nick, also failed to establish written supervisory procedures covering its business activities.

Protective Group Securities Corporation (Eden Prairie, Minnesota), Richard James Cochrane (Registered Principal, Edina, Minnesota), and Martin Melvin Fiterman (Registered Principal, Minnetonka, Minnesota) were fined \$17,500, jointly and severally. In addition, Fiterman was fined \$5,000. The NBCC imposed the sanctions on review of a decision by the DBCC for District 4. The sanctions were based on findings that the firm, acting through Cochrane and Fiterman, participated in the sales of unregistered securities without an applicable exemption from the registration requirements of the Securities Act of 1933. Furthermore, the firm, acting through Cochrane and Fiterman, sold the aforementioned securities to customers at prices that were unfair and unreasonable.

In addition, Fiterman executed transactions for the accounts of public customers on a discretionary basis without obtaining written authorization from the customers and written acceptance of the accounts as discretionary by his member firm. Also, in contravention of SEC Rule 10b-10, the firm, acting through another individual, failed to disclose on customer confirmations the amount of remuneration it received on riskless principal transactions.

The firm, Cochrane and Fiterman have appealed this action to the SEC, and the sanctions are not in effect pending consideration of the appeal.

Westonka Investments, Inc. (Minnetonka, Minnesota) and Timothy Joel Friederichs (Registered Principal, Minnetrista, Minnesota) submitted an Offer of Settlement pursuant to which they were fined \$51,260, 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, acting through Friederichs, effected corporate securities transactions as principal at prices that were unfair and unreasonable, in contravention of the Interpretation of the Board of Governors with respect to the NASD's Mark-Up Policy.

INDIVIDUALS BARRED OR SUSPENDED

George Montgomery Albrecht, Jr. (Registered Representative, Laurence Harbor, New Jersey) was fined \$20,000 and barred from associa-

tion with any member of the NASD in any capacity. The sanctions were based on findings that Albrecht failed to respond to NASD requests for information concerning his termination from a member firm.

Joseph L. Amos (Registered Principal, Knoxville, Tennessee) was fined \$25,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Amos failed to respond to numerous NASD requests for information in a timely manner concerning three customer complaints and made unsuitable recommendations to two public customers.

Marlon D. Andersen (Registered Representative, North Ogden, Utah) was fined \$81,090 and barred from association with any member of the NASD in any capacity. However, the fine may be reduced by the amount of restitution he makes to the member or to any affected customer not reimbursed by the firm.

The sanctions were based on findings that Andersen received funds totaling \$15,210 from unauthorized loans that he caused to be taken out against insurance policies belonging to public customers and failed to use these funds for the benefit of the customers. Moreover, Anderson caused a customer's insurance policy to be surrendered without authorization and used the \$13,380 proceeds check for his own benefit. Furthermore, Andersen received from a public customer a \$2,500 check intended for investment in the customer's individual retirement account but never used the funds as instructed by the customer.

Andersen also altered account records and loan applications for these customers to reflect his own current or former addresses.

David L. Armstrong (Registered Representative, Norman, Oklahoma) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Armstrong failed to amend his Uniform Application for Securities Industry Registration or Transfer (Form U-4) to reflect the filing of a criminal charge against him. In addition, Armstrong failed to respond to NASD requests for information.

James L. Begbie (Registered Representative, Denver, Colorado) was fined \$48,465, suspended from association with any member of the NASD in any capacity for 30 days, and required to

requalify by examination in any capacity in which he will function. The sanctions were based on findings that Begbie exercised discretion in a customer account without obtaining prior written discretionary trading authority. In addition, he made unsuitable recommendations to three public customers.

Leonard P. Bogdan, Jr. (Registered Representative, Nashville, Tennessee) submitted an Offer of Settlement pursuant to which he was barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Bogdan consented to the described sanction and to the entry of findings that he failed to provide written notice to his member firm concerning his affiliations with, and the compensation he received from, other firms. The NASD found that Bogdan solicited and executed orders in the accounts of public customers prior to the effective date of his registration with the NASD. The findings also stated that Bogdan engaged in private securities transactions without providing prior written notice to his member firm and provided investors with an offering memorandum that contained material misrepresentations.

According to the findings, Bogdan exercised discretion in the accounts of public customers without their prior written authorization and without his firm's prior written acceptance of the accounts as discretionary. In addition, the NASD determined that Bogdan recommended and engaged in transactions in the accounts of public customers without having reasonable grounds for believing that such recommendations and resultant transactions were suitable for the customers based on their financial situations, investment objectives, and needs.

Richard A. Bridge, Jr. (Registered Representative, Mobile, Alabama) was fined \$40,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Bridge remitted a check to a public customer as reimbursement for trading losses sustained in the customer's account. Bridge received \$20,000 from another public customer to buy mutual fund shares that he failed to purchase. Instead, he converted the funds to his own use without the customer's knowledge or consent. Furthermore, Bridge mailed fictitious account statements reflecting an investment that had not been made for this customer.

Bridge also used misleading business cards and stationery, and purchased a telephone directory

advertisement that failed to indicate that the sale of various financial instruments would be made through a member firm. In addition, Bridge failed to respond to NASD requests for information.

Garrison Bye (Registered Representative, Tampa, Florida) was fined \$10,000, barred from association with any member of the NASD in any capacity, and required to requalify by examination in any capacity. In addition, Bye is required to pay \$20,955 in restitution to a public customer. The sanctions were based on findings that Bye recommended and caused to be purchased for the account of a public customer shares of common stocks without reasonable grounds for believing that the transactions were suitable for the customer based on his financial objectives and needs.

John D. Caraway (Registered Representative, Lisle, Illinois) was fined \$8,500 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Caraway signed a customer's name to a disbursement request form resulting in a disbursement of \$48.30 from the customer's insurance policy. Caraway applied the funds to purchase a second life insurance policy for the same customer and signed his name to the application. The above activity was conducted without the customer's knowledge or consent. In addition, Caraway failed to respond to NASD requests for information.

Stephen Earl Cayou (Registered Principal, Lakewood, Colorado) and **Jeffrey Roy Skinner (Registered Representative, Golden, Colorado)** submitted an Offer of Settlement pursuant to which they were each fined \$7,500 and suspended from association with any member of the NASD in any capacity for 15 days. Without admitting or denying the allegations, Cayou and Skinner consented to the described sanctions and to the entry of findings that they failed to respond to NASD requests for information and operated an unregistered broker/dealer. The NASD also determined that Cayou and Skinner failed to inform their member firm of their participation in a private securities transaction.

Myra Audrey Uy Cheng (Registered Representative, Edgewater, New Jersey) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Cheng failed to respond to NASD requests for information concerning a customer complaint.

Thomas R. Collins (Registered Representative, Norman, Oklahoma) was fined \$30,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Collins received from six public customers \$1,816 intended for automobile insurance premium payments. Collins failed to submit the monies to his member firm. Instead, he converted the funds to his own use without the customer's knowledge or consent. In addition, Collins failed to respond to NASD requests for information.

James Linn Cooper (Registered Representative, Groves, Texas) was fined \$60,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Cooper recommended the purchase and sale of securities to a public customer without having reasonable grounds for believing that such recommendations were suitable for the customer. In addition, Cooper failed to respond to an NASD request for information.

Craig A. Corrinne (Registered Representative, Boynton Beach, Florida) was fined \$25,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Corrinne submitted false and fictitious applications for life insurance to his member firm.

Michael S. Duffy (Registered Representative, Baltimore, Maryland) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Duffy failed to respond to NASD requests for information concerning certain transactions allegedly effected by him for the accounts of public customers.

Robert Wayne Faglier (Registered Representative, Thomson, Georgia) was fined \$20,000, barred from association with any member of the NASD in any capacity, and must pay \$6,912.24 in restitution to his member firm. The sanctions were based on findings that Faglier requested loans totaling \$6,912.24 against the cash value of life insurance policies of public customers and converted the funds to his own use and benefit without the customer's knowledge or authorization.

David J. Falatko (Registered Representative, West Pittsburgh, Pennsylvania) submitted an Offer of Settlement pursuant to which he was fined \$20,000 and barred from association with

any member of the NASD in any capacity. Without admitting or denying the allegations, Falatko consented to the described sanctions and to the entry of findings that he received from public customers insurance premium payments totaling \$371.90 which he failed to remit to his member firm. The NASD also found that Falatko failed to respond to NASD requests for information.

Warren R. B. Feitig (Registered Representative, Richmond, Virginia) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Feitig effected unauthorized transactions in the accounts of public customers and failed to respond to NASD requests for information.

Donald Roger Fisher (Registered Representative, Lake Zurich, Illinois) was fined \$3,000 and suspended from association with any member of the NASD in any capacity until he has fully paid a \$60,116 NASD arbitration award. The sanctions were based on findings that Fisher failed to pay the aforementioned award.

Fisher's suspension commenced September 9, 1992, and concluded October 20, 1992, upon compliance.

Gene Clark Foland (Registered Representative, Ft. Lauderdale, Florida) was fined \$5,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Foland failed to pay a \$2,063 arbitration award.

William E. Gallaher (Registered Principal, Knoxville, Tennessee) submitted an Offer of Settlement pursuant to which he was fined \$5,000 and suspended from association with any member of the NASD in any capacity for one week. Without admitting or denying the allegations, Gallaher consented to the described sanctions and to the entry of findings that he failed to exercise proper supervision over the handling of a new account at his member firm.

Terri Lynn Gent (Registered Representative, Overland Park, Kansas) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Gent failed to respond to an NASD request for information concerning a Letter of Caution.

Stephen Robert Goodwin (Registered Principal, New York, New York) was fined \$15,000

and suspended from association with any member of the NASD in any principal capacity for two years. The sanctions were based on findings that Goodwin, acting on behalf of a former member firm, failed to comply with the firm's restriction agreement by executing and clearing equity transactions for public customers without obtaining the NASD's approval.

Goodwin, acting on behalf of the firm, conducted a securities business while failing to maintain the required minimum net capital and without having a general securities principal or representative registered with the NASD. In addition, the firm, acting through Goodwin, failed to maintain a fidelity bond and failed to provide the NASD with requested information.

Wayne Frederick Gorsek (Registered Representative, Springfield, Illinois) was fined \$2,500 and suspended from association with any member of the NASD in any capacity for five business days. The sanctions were based on findings that Gorsek submitted a Form U-4 for registration with a member firm but failed to disclose a felony conviction and to accurately disclose the years that he attended high school.

Joseph E. Griffin, Jr. (Registered Representative, Tupelo, Mississippi) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$1,000 and suspended from association with any member of the NASD in any capacity for six months. Without admitting or denying the allegations, Griffin consented to the described sanctions and to the entry of findings that he forged the signature of a registered representative on a \$222.87 commission check, deposited the check into his personal business account, and converted the funds to his own use and benefit without the representative's knowledge or consent.

Cheryl B. Hagler (Registered Representative, Huntsville, Alabama) submitted a Letter of Acceptance, Waiver and Consent pursuant to which she was fined \$100,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Hagler consented to the described sanctions and to the entry of findings that she withdrew \$50,900 from the account of public customers and converted the funds to her own use and benefit.

Edward Patrick Harris (Registered Representative, Holmdel, New Jersey) was fined \$30,000 and barred from association with any

member of the NASD in any capacity. The sanctions were based on findings that Harris made purchase transactions in the account of a public customer without his knowledge or consent. In addition, Harris failed to respond to NASD requests for information.

Charles B. Hasty (Registered Principal, Stone Mountain, Georgia) was fined \$26,350, barred from association with any member of the NASD in any capacity, and ordered to pay \$1,270 in restitution to public customers. The sanctions were based on findings that Hasty obtained and negotiated commission checks made payable to other employees totaling \$510 without their knowledge or authorization. Hasty also received from a public customer \$760 intended for investment in a money market fund and converted the funds to his own use and benefit. In addition, Hasty failed to respond to an NASD request for information.

Robin Allan Heiney (Registered Representative, Aurora, Colorado) was fined \$10,000 and barred from association with any member of the NASD in any capacity. The NBCC imposed the sanctions following an appeal of a decision by the DBCC for District 3. The sanctions were based on findings that Heiney failed to respond to NASD requests for information concerning his termination from a member firm.

William A. Henry, Jr. (Registered Representative, Panama, New York) was fined \$70,000 and barred from association with any member of the NASD in any capacity. The fine may be reduced by submission of proof of payment of restitution. The sanctions were based on findings that Henry misappropriated and converted to his own use and benefit customer funds totaling \$14,794.70. In addition, Henry failed to respond to NASD requests for information.

Richard J. Hettler (Registered Representative, Fort Collins, Colorado) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Hettler failed to respond to NASD requests for information regarding two customer complaints.

Traci A. Holland (Registered Representative, Huntingdon, Pennsylvania) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Holland failed to respond to NASD requests for information concern-

ing the alleged mishandling of insurance applications and premiums.

Erik Dewitt Jackson (Registered Representative, Moreno Valley, California) was fined \$41,393 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Jackson accepted from a public customer two checks totaling \$1,393 intended for the purchase of insurance. Jackson failed to purchase any insurance. Instead, he endorsed the checks, deposited the funds into a bank account under his control, and converted the monies to his own use. In addition, Jackson failed to respond to NASD requests for information.

Michael C. James (Registered Representative, Beverly Hills, Maryland) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that James prepared, processed, and submitted to his member firm at least 25 administrative/financial change forms for public customers. He forged the customers' signatures on the forms thereby increasing the amount of each customer's investment in a fixed annuity. As a result of this activity, James received at least \$2,816.61 in commissions.

Michael Richard Johnson (Registered Representative, Wauwatosa, Wisconsin) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$3,000 and suspended from association with any member of the NASD in any capacity for one day. Without admitting or denying the allegations, Johnson consented to the described sanctions and to the entry of findings that he recommended to public customers that they exchange one insurance product for a similar product offered by a company Johnson represented that was not an insurance affiliate of his member firm. The NASD found that, in connection with such activities, Johnson failed to give prompt written notice to his member firm of his outside business activities with other insurance companies.

Jay Frederick Keeton (Registered Representative, Seattle, Washington) was fined \$25,000 and barred from association with any member of the NASD in any capacity. The SEC affirmed the sanctions following an appeal of a decision by the NBCC. The sanctions were based on findings that Keeton sold units in general partnerships that he formed, for the purpose of purchasing private placement stock, to investors without pro-

viding written notice to his member firm.

In addition, Keeton sent threatening correspondence to a corporation with the intent of coercing the company into meeting his demands for compensation relating to the purchase of its common stock by an investor. In connection with a firm's pending application for NASD membership, Keeton also submitted a Form BD that failed to disclose that he was the managing partner of three general partnerships involved in securities investments.

Edmund Francis Konczakowski (Registered Representative, Pompano Beach, Florida) was fined \$20,000, suspended from association with any member of the NASD in any capacity for one year, and required to requalify by examination as a registered representative. The sanctions were based on findings that Konczakowski effected the purchase of shares of a common stock in the account of a public customer without the customer's knowledge or consent.

Lloyd Charles Krein (Registered Representative, Irvine, California) was fined \$54,495 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Krein charged public customers unfair commissions on foreign currency options transactions.

David M. Lichniak (Registered Representative, Elyria, Ohio) was fined \$40,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that without a public customer's knowledge or consent, Lichniak executed and submitted a salary reduction form concerning the customer's premium payment on a fixed annuity. In addition, Lichniak failed to respond to NASD requests for information.

Michael John McIntyre (Registered Representative, Oceanside, California) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and suspended from association with any member of the NASD in any capacity for seven days. Without admitting or denying the allegations, McIntyre consented to the described sanctions and to the entry of findings that he engaged in outside business activities and a private securities transaction without notifying his member firm.

Barry J. Miele (Registered Representative, Staten Island, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to

which he was fined \$15,625 and suspended from association with any member of the NASD in any capacity for five business days. Without admitting or denying the allegations, Miele consented to the described sanctions and to the entry of findings that he placed a purchase order on behalf of a public customer and charged excessive commissions of 23.08 percent of the total cost of the transaction.

Sidney C. Milsaps (Registered Representative, Knoxville, Tennessee) was fined \$200,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Milsaps obtained checks totaling \$164,000 drawn on the accounts of public customers, forged endorsements on the checks, and deposited the monies into his personal checking account, thereby converting the funds to his own use and benefit. In addition, he failed to respond to NASD requests for information.

Jeffrey Christopher Milton (Registered Representative, Houston, Texas) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Milton failed to respond to an NASD request for information concerning his termination from a member firm.

Anthony J. Morrell (Registered Representative, Rochester, New York) was fined \$35,000 and barred from association with any member of the NASD in any capacity. The fine may be reduced by any amounts that Morrell pays in restitution. The sanctions were based on findings that Morrell misappropriated and converted to his own use insurance premium payments totaling \$5,910.48 received from public customers. In addition, Morrell failed to respond to NASD requests for information.

Leslie L. Murphy (Registered Representative, Uniontown, Pennsylvania) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Murphy received from a public customer three checks totaling \$2,507.18 intended as payment of insurance premiums and received five checks totaling \$5,183.72 issued by his member firm to another customer. However, Murphy cashed the checks and retained the proceeds for himself. In addition, he failed to respond to an NASD request for information.

Jeffrey Andrew Murray (Registered Representative, Minneapolis, Minnesota) was fined

\$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Murray failed to respond to NASD requests for information concerning his termination from a member firm.

Christopher P. Mussenden (Registered Representative, Sarasota, Florida) was fined \$50,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Mussenden converted customer funds totaling \$12,156.50 to his own use and benefit. In addition, Mussenden failed to respond to an NASD request for information.

Charles Gerard Patterson (Registered Representative, Tampa, Florida) submitted an Offer of Settlement pursuant to which he was fined \$10,000, suspended from association with any member of the NASD in any capacity for five days, and must pay \$20,000 in restitution to public customers. Without admitting or denying the allegations, Patterson consented to the described sanctions and to the entry of findings that he recommended the purchase of securities to public customers without having reasonable grounds for believing that such recommendations were suitable for the customers. In addition, the NASD found that Patterson effected the sale of shares of common stock for the account of the same customers without their knowledge or consent.

Norman E. Phillips (Registered Representative, New York, New York) was fined \$20,000 and suspended from association with any member of the NASD in any capacity for six months. The sanctions were based on findings that Phillips executed transactions in the accounts of five public customers without their knowledge or authorization.

Johnny W. Ray, Sr. (Registered Principal, Birmingham, Alabama) was barred from association with any member of the NASD in any capacity. The sanction was based on findings that in connection with the solicitation of funds from public customers for investments, Ray failed to give full and adequate disclosure to the customers regarding the identity or financial status of such investments. Ray also failed to maintain a current Uniform Application for Broker-Dealer Registration (Form BD) for his member firm. In addition, he failed to respond to NASD requests for information.

David D. Reeves (Registered Representa-

ive, Little Rock, Arkansas) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Reeves executed unauthorized option transactions in the accounts of two public customers. Reeves also failed to maintain current information on his Uniform Application for Securities Registration or Transfer (Form U-4). In addition, he failed to respond to NASD requests for information.

Dale Dwight Schwartzenhauer (Registered Representative, Sandy, Oregon) was fined \$50,000, suspended from association with any member of the NASD in any capacity for 30 days, and required to requalify by examination. The SEC affirmed the sanctions following an appeal of a decision by the NBCC. The sanctions were based on findings that, to raise capital for a corporation, Schwartzenhauer engaged in private securities transactions without his member firm's prior written approval.

Moreover, Schwartzenhauer purchased restricted or control stock from customers, issuers, or officers of issuers and then sold a substantial portion of these shares to public customers. In these transactions, Schwartzenhauer also failed to obtain his employer's written approval. Furthermore, in contravention of the NASD's Mark-Up Policy, Schwartzenhauer charged excessive markups on sales of corporate securities to public customers.

Douglas P. Shebroe (Registered Representative, Smithtown, New York) was fined \$10,000, barred from association with any member of the NASD in any capacity, and required to requalify by examination. In addition, Shebroe has to pay \$26,500 plus interest in restitution to a public customer. The sanctions were based on findings that Shebroe recommended and effected unsuitable transactions in the account of a public customer that generated excessive commissions and markups. Moreover, Shebroe failed to disclose to the customer the commission and fee structure and did not reflect these commissions on his confirmations.

David M. Smith (Registered Representative, Lancaster, Pennsylvania) submitted an Offer of Settlement pursuant to which he was fined \$1,500 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Smith consented to the described sanctions and to the entry of findings that he forged a registered representative's endorse-

ment on a \$310.94 payroll check issued by his member firm. According to the findings, Smith negotiated the check, and retained the proceeds for his own use and benefit.

Ted R. Starling (Registered Representative, Brooklet, Georgia) was fined \$50,000, barred from association with any member of the NASD in any capacity, and must pay \$306,021.38 in restitution to public customers. The sanctions were based on findings that Starling solicited and accepted checks totaling \$306,021.38 from public customers, deposited the checks in his personal bank account, and applied the proceeds to his own use. In addition, Starling failed to respond to an NASD request for information.

Dennis Wayne Swanzy (Registered Representative, Hurst, Texas) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Swanzy failed to respond to an NASD request for information concerning his termination from a member firm.

Theodore Edmond Thomas (Registered Principal, Danville, California) was barred from association with any member of the NASD in any capacity. The sanction was based on findings that, in financing or refinancing numerous properties owned by limited partnerships previously underwritten by his member firm, Thomas diverted \$1,899,003 of loan proceeds to other limited partnerships that were sold by his member firm without disclosure to the limited partners. In addition, Thomas, acting through his member firm, sold units of various limited partnership offerings and failed to deposit funds received from investors into an escrow account.

Manuel Mendoza Tiangha (Registered Representative, Redondo Beach, California) was fined \$20,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Tiangha failed to respond to NASD requests for information concerning his termination from a member firm and a customer complaint.

Charles D. Tom (Registered Representative, Issaquah, Washington) was suspended from association with any member of the NASD in any capacity for one year. The SEC affirmed the sanction following an appeal of an NBCC decision. The sanction was based on findings that Tom executed options transactions in the joint account of two pub-

lic customers without obtaining the customers' prior written discretionary trading authority and without his member firm's written acceptance of the account as discretionary. In addition, Tom guaranteed these customers against losses in their account.

Bruce D. Warshaw (Registered Representative, New York, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and suspended from association with any member of the NASD in any capacity for one year. Without admitting or denying the allegations, Warshaw consented to the described sanctions and to the entry of findings that he fabricated fictitious customer complaints and forged correspondence regarding purported settlements with customers totaling \$99,000 for the purpose of recording losses for income tax reasons.

Warshaw's suspension was deemed served from September 1, 1990, to September 1, 1991.

William R. Wohlers (Registered Representative, Keedysville, Maryland) was fined \$25,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Wohlers executed unauthorized transactions in the accounts of public customers.

Derek H. Yamada (Registered Principal, Denver, Colorado) and **William J. Caltabiano, Jr. (Registered Representative, Massapequa Park, New York)**. Yamada was fined \$50,000 and an additional \$100,915.62, jointly and severally with his member firm and another registered representative, and barred from association with any member of the NASD in any capacity. Caltabiano was fined \$16,511.20 and ordered to requalify by examination before acting in any capacity requiring registration. In a separate NASD action, Yamada was fined \$50,000 and barred from association with any member of the NASD in any capacity.

These sanctions were based on findings that a member firm, acting through Yamada and Caltabiano, effected principal sales or caused customer orders to be received and processed for purchases of securities at unfair and unreasonable prices. The markups on these trades ranged from 5.44 to 100 percent over the firm's contemporaneous cost for the securities, in contravention of the NASD's Mark-Up Policy. Moreover, Yamada and Caltabiano failed to disclose to customers that the

prices charged were unfair and unreasonable.

Larry Lamont Ziebell (Registered Representative, Sunnyvale, California) was fined \$53,044.76 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Ziebell received from a public customer a \$3,044.76 check intended for the purchase of insurance and misappropriated the proceeds for other uses.

INDIVIDUALS FINED

David John Bernstein (Registered Principal, Youngstown, New York) was fined \$12,500 and required to requalify by examination as a general securities principal or representative before acting in either capacity. The sanctions were based on findings that Bernstein engaged in private securities transactions with public customers without providing prior written notice to his member firm.

Morton B. Erenstein (Registered Representative, Florham Park, New Jersey) was fined \$70,000. The sanction was based on findings that Erenstein engaged in private securities transactions without giving prior written notification to his member firm.

Ezra Grayman (Registered Principal, Springfield, New Jersey) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and required to requalify by examination as a general securities principal. Without admitting or denying the allegations, Grayman consented to the described sanctions and to the entry of findings that a former member firm, acting through Grayman, purchased common stock from customers as principal at prices that were unfair and unreasonable with markups ranging from 13.3 to 20 percent above the prevailing market price of the security.

The NASD also found that, in contravention of the Board of Governors' Free-Riding and Withholding Interpretation, a former member firm, acting through Grayman, sold shares of a new issue that traded at a premium in the secondary market to a restricted account.

Stuart Lee Huber (Registered Representative, Brooklyn, New York) was fine \$20,000. The sanction was based on findings that Huber failed to respond in a timely manner to NASD requests for information concerning a customer complaint.

Cabin Wayne Parker (Registered Representative, Corona Del Mar, California) submitted an Offer of Settlement pursuant to which he was fined

\$10,000. Without admitting or denying the allegations, Parker consented to the described sanction and to the entry of findings that, in violation of Regulation T of the Federal Reserve Board, and without the knowledge or consent of his member firm, Parker loaned a public customer \$45,000 for the purpose of trading securities in his account maintained at Parker's member firm. The findings also stated that Parker solicited and received from the same customer a \$20,000 loan without the knowledge or consent of Parker's member firm.

Michael D. Stewart (Registered Representative, Cambridge, England) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and required to requalify by examination as a general securities principal. Without admitting or denying the allegations, Stewart consented to the described sanctions and to the entry of findings that he engaged in private securities transactions and outside business activities without providing prior written notice to his member firm.

FIRMS EXPELLED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

Cenpac Securities Corporation, Phoenix, Arizona

First Capital Funding, Incorporated, Denver, Colorado

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 Article IV, Section 5 of the NASD Rules of Fair Practice and Article VII, Section 2 of the NASD By-Laws. The date the suspension commenced is listed after each entry. If the firm has complied with the request for information, the listing also includes the date the suspension concluded.

Blarron Group, Inc., Raleigh, North Carolina (October 12, 1992)

E.R. Keller & Co., Inc., Princeton, New Jersey (October 12, 1992)

A.J. Mulligan & Co., Amarillo, Texas (October 12, 1992)

Preston, Reynolds Securities, El Paso, Texas (October 12, 1992)

Seward, Groves, Richard & Wells, Inc.,

New York, New York (October 7, 1992 to October 15, 1992)

Worthington & Dunn Securities, Dallas, Texas (October 12, 1992)

SUSPENSIONS LIFTED

The NASD has lifted suspensions from membership on the dates shown for the following firms, since they have complied with formal written requests to submit financial information.

Hall, Curley & Co., Inc., New York, New York (September 25, 1992)

Harold Pastron-Funded, Northbrook, Illinois (October 1, 1992)

Nederland Securities, New York, New York (October 2, 1992)

Wincrest Securities, Inc., Irving, Texas (October 19, 1992)

INDIVIDUALS WHOSE REGISTRATIONS WERE REVOKED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

Patrick J. Allen, Denver, Colorado
 Howard N. Barlow, Jr., Mundelein, Illinois
 Gerald N. Bovee, Phoenix, Arizona
 Philip J. Cooper, Bronx, New York
 David S. Elliott, Kirkland, Washington
 Thomas M. Legan, San Francisco, California
 Charles D. Matthews, Houston, Texas
 Ronald L. Russo, Richmond, Virginia

NASD TAKES DISCIPLINARY ACTION AGAINST GRAHAM SECURITIES CORPORATION AND ITS PRESIDENT

The NASD has expelled Graham Securities Corporation of Covington, Louisiana from membership in the NASD and has taken disciplinary action against Pete G. Theo, the firm's president.

Pursuant to a Letter of Acceptance, Waiver and Consent, in which Graham Securities and Theo neither admitted nor denied the allegations, Graham Securities paid a fine of \$250,000 and was expelled from membership in the NASD. In addition, Graham Securities has demonstrated to the satisfaction of the NASD that it has entered into settlement agreements with public customers for an amount

not less than \$5 million. Also, Theo paid the NASD a fine of \$25,000, was barred from association with any member of the NASD in any principal capacity, and was suspended for six months in all capacities.

From April 1985 until September 1989, Graham Securities promoted sales of the Prudential-Bache Energy Growth Funds and the Prudential-Bache Energy Income Funds. The NASD found that Graham Securities, acting through Theo:

- Distributed information in certain marketing materials to Prudential-Bache Securities, Inc., n/k/a Prudential Securities Incorporated, that did not present a balanced description of certain features of one of the funds.

- Distributed certain written information to limited partners of one fund that failed to disclose the portion of cash distributions to the limited partners that consisted of return of capital.

- Failed to ensure that performance information for one of the funds was adequately disclosed in certain written materials.

- Failed to ensure that the prospectus for one of the funds disclosed a prior business relationship with a bank and, in doing so, failed to disclose a potential for conflict of interest arising out of this prior business relationship.

- Failed to provide information about the illiquidity for one of the funds in certain written materials used to market the fund.

- Distributed publications concerning the Income Funds that did not discuss the risks associated with those funds and, therefore, failed to provide an adequate basis for investing in the funds.

In addition, the NASD found that Graham Securities, acting through Theo, failed to ensure that certain individuals associated with Graham Securities were properly registered with the NASD. The NASD found that these activities of Graham Securities and Theo constituted violations of the NASD's Rules of Fair Practice. This disciplinary action was taken by the DBCC for District 5 in New Orleans, Louisiana.

Theo's suspension in any capacity commenced with the opening of business on October 19, 1992.

For Your Information

National Association of Securities Dealers, Inc.

November 1992

NASD Announces Early Closing for Nasdaq[®] and SelectNetSM on November 27 and December 24, 1992

The Nasdaq Stock MarketSM and SelectNetSM will close two hours early on the day after Thanksgiving, Friday, November 27, and Christmas Eve, Thursday, December 24. This means that The Nasdaq Stock Market will close at 2 p.m., instead of the regular closing time of 4 p.m., on those days and that SelectNet will stop accepting orders at 3:15 p.m. instead of the regular 5:15 p.m. closing time.

The Automated Confirmation Transaction (ACT) service and the Mutual Fund System, as well as all other postclosing activities, will occur two hours earlier than the normal daily processing time.

Any questions concerning these closing times should be directed to New York Market Operations at (800) 635-6485.

1992 Economic Census Will Count Millions of Business Firms

More than 3.5 million American businesses will receive 1992 Economic Census questionnaires from the U.S. Census Bureau in December. Should your firm receive one, please note that the due date for returning it is February 15 and that firms receiving census forms are required by law to respond.

This is the most comprehensive Economic Census ever undertaken. For the first time, the census will measure activity in finance, insurance, and real estate along with the sectors traditionally covered: retail and wholesale trade, service industries, transportation, manufacturing, mining, and construction industries.

Taken every five years, the Economic Census identifies trends in business activity that are vital to measuring and encouraging growth in the American economy. The federal government uses census data to measure economic change. State and local agencies use the Economic Census in regional planning and economic development as well as to attract and keep business activity in their areas.

Businesses can use the data generated by the census to develop business plans, calculate market share, and compare themselves to industry averages. The Economic Census also is important for business-to-business marketing: results frequently influence the location of retail outlets and the design of distribution systems.

The information provided in the census is absolutely confidential. By law, only sworn Census Bureau employees may see individual responses, which are also exempt from the Freedom of Information Act. Statistics from the 1992 Economic Census will be published in more than 500 printed reports and in formats for computers, including compact discs (CD-ROMs). Both printed reports and CD-ROMs will be available in hundreds of libraries across the nation, or may be purchased inexpensively from the Government Printing Office. If you have any questions about the census, call Robert Marske at (301) 763-7356 or FAX (301) 763-2324.

NASD to Publish Back Notices to Members in Bound Volumes

In response to increasing interest from members, the NASD will release bound-volume versions of past years of its *Notices to Members* monthly newsletter. Notices for years 1987 through 1991 are available for member purchase this month.

The bound volume series includes each year's table of contents as well as a subject index cross-referenced to volumes. The Notices bound volumes will assist analysts, researchers, and legal staff in

responding to compliance and regulation questions.

The five-year series costs \$600, and individual years are \$150 per volume. For more information regarding these *Notices to Members* bound volumes, call NASD Corporate Communications at (202) 728-6900. Credit card orders may be placed at NASD MediaSourceSM at (301) 590-6578, Monday through Friday, 7 a.m. to 5 p.m., Eastern Time.

Corrections to October 1992 Notices to Members

In *Notice to Members 92-52*, which concerned broker/dealer and agent renewals for 1992-93, an important piece of information was omitted. Under the section titled "Filing Forms BDW," Alabama should have been listed as one of the seven jurisdictions that do *not* participate in the CRD Phase II program. The NASD *will* collect both broker/dealer and agent renewal fees from those firms that are registered in Alabama.

Due to an error in *Notice to Members 92-53*, the last entry in the table, Total Underwriting Compensation, on page 373 read: 50 or more 6.89 **5.00 25.57**. It should have read: 50 or more 6.89 **5.02 5.57**.

For your convenience, a corrected page 373 has been included in this edition of the *Notices to Members* on the opposite page.

Important Information for Those Individuals Who Are Participating in the NASD Health Guard Plus Major Medical Program

As we all know, medical care costs have been increasing nationally at a 20 percent plus rate. However, our plan has not had an increase in rates since April 1992, although our carrier, National Casualty, has the right to adjust rates on April 1 and October 1 each year. Since the Company did not exercise that right this October, it appears likely that some increase can reasonably be expected as of next April 1993. However, premiums already paid on existing policies are guaranteed against an increase. For example, an insured whose premium

due date falls in December and who pays a six-month premium is protected until June 1993; likewise, payment of a full annual premium would protect that premium against an increase until December 1993, "locking in" the current rates for a full 12 months.

Coming in April 1993: an increase in the maximum limit of benefits from \$1 million to \$2 million a new optional \$5,000 deductible, and greater discounts for insureds who have been claim-free.

TOTAL UNDERWRITING COMPENSATION¹

Gross Dollar Amount of Offering (millions)	Firm Commitment Initial Offerings (%)	Firm Commitment Secondary Offerings (%)	Best Efforts Offerings (%)
\$ 1	15.80%	14.57%	11.83%
2	14.31	12.91	10.72
3	13.44	11.94	10.07
4	12.82	11.26	9.61
5	12.34	10.72	9.26
6	11.95	9.56	8.96
7	11.62	9.12	8.72
8	11.33	8.76	8.50
9	11.08	8.45	8.32
10	10.65	8.18	8.15
11	9.90	7.95	8.04
12	9.18	7.74	7.86
13	8.49	7.56	7.73
14	7.82	7.39	7.61
15	7.59	7.24	7.50
16	7.55	7.10	7.40
17	7.52	6.97	7.30
18	7.48	6.85	7.21
19	7.45	6.74	7.12
20	7.42	6.63	7.04
25	7.29	6.20	6.68
30	7.19	5.86	6.39
35	7.10	5.60	6.14
40	7.02	5.37	5.93
45	6.95	5.19	5.74
50 or more	6.89	5.02	5.57

¹ This table contains the results of a regression analysis of an overall population and not mathematical averages for each category. This data should be considered only in connection with the explanation of methodology contained in the attached Notice.