

sec news digest

Issue 95-142

July 25, 1995

COMMISSION ANNOUNCEMENTS

SEC NAMES RICHARD LINDSEY CHIEF ECONOMIST

Chairman Levitt today announced the appointment of Richard R. Lindsey as Chief Economist of the Commission. Mr. Lindsey, who replaces Susan Woodward, will have the primary responsibility for conducting economic analysis of SEC policies and regulatory programs. (Press Rel. 141)

ENFORCEMENT PROCEEDINGS

DAVID WILEY BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against David C. Wiley, who consented to the issuance of the Order without admitting or denying the Commission's findings. The Order, which permanently barred Wiley from association with any broker, dealer, investment company, investment adviser, or municipal securities broker or dealer, contained findings that from at least October 1991 to November 1992, Wiley sold at least \$1.2 million worth of bogus certificates of deposit (CDs) to at least 25 investors from which he earned at least \$129,000 in commissions in violation of the registration and antifraud provisions of the federal securities laws. The CDs were purportedly issued by Canadian Trade Bank, Ltd. (CTB), which, according to Wiley, was located in the country of Grenada. In the offer and sale of the CDs, Wiley made material misrepresentations and failed to disclose material facts to investors regarding, among other things, the existence of CTB, the safety of the investment, the receipt of commissions and the use of proceeds. [SEC v. Michael J. Randy, et al., No. 94-C-5902, N.D. Ill.] (Rel. 34-35986)

COMPLAINT FILED AGAINST BARRY MICHAELS AND HOLLY MICHAELS

The Commission filed a civil action on April 17, 1995 in the United States District Court for the Central District of California against Barry Michaels and Holly Michaels (the Michaelses). The complaint alleges that the Michaelses fraudulently offered and sold approximately \$2.8 million of Family Airlines, Inc.'s (Family) stock to over 100 investors. In the offer and sale of Family's stock, the Michaelses made misrepresentations and/or omissions of material facts to investors concerning: the use of investor proceeds; Family's financial condition; the identity of Family employees; the probability of Department of Transportation and Federal Aviation Administration flight certifications; and the nature and status of two financial commitments. Barry Michaels also acted as an unregistered broker-dealer.

The Commission's complaint against the Michaelses seeks permanent injunctions against future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Commission's complaint against Barry Michaels additionally seeks a permanent injunction against future violations of Section 15(a) of the Exchange Act. Finally, the Commission seeks disgorgement and civil penalties against the Michaelses. [SEC v. Myron Barry Michaels and Holly S. Michaels, Civil Action No. 95-2499-LGB, BQRx, C.D. Cal.] (LR-14570)

INVESTMENT COMPANY ACT RELEASES

U.S. DOLLAR CASH RESERVES PORTFOLIO

A notice has been issued giving interested persons until August 15 to request a hearing on an application filed by U.S. Dollar Cash Reserves Portfolio for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21225 - July 21)

HOLDING COMPANY ACT RELEASES

NATIONAL FUEL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until August 14 to request a hearing on a proposal by National Fuel Gas Company (National), a registered holding company, to acquire Horizon Energy Development, Inc. (Horizon) and finance it with debt, equity and guarantees not to exceed \$150 million at any time outstanding through December 31, 2001. Among other things, National and Horizon propose to develop and acquire

exempt wholesale generators, and foreign utility companies; develop cogeneration and small power production facilities; obtain recourse and nonrecourse debt financing from unaffiliated third parties; and provide consulting services. (Rel. 35-26337)

CONSOLIDATED NATURAL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until August 14 to request a hearing on a proposal by Consolidated Natural Gas Company (CNG), a registered holding company, and CNG Energy Services Corporation (Energy Services), a wholly-owned subsidiary company of CNG. CNG and Energy Services request authorization to form a new subsidiary, CNG Special Products and Services, Inc. (CSPS), which would engage in the business of providing certain energy-related services. They also request authorization, through December 31, 2000, for related financings of up to \$10 million. (Rel. 35-26337)

ENTERGY CORPORATION, ET AL.

A notice has been issued giving interested persons until August 14 to request a hearing on a proposal by Entergy Corporation (Entergy), a registered holding company, and its subsidiary companies, Arkansas Power & Light Company, Gulf States Utilities, Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc. (collectively, System Operating Companies), System Energy Resources, Inc., Entergy Services, Inc. (ESI), Entergy Enterprises, Inc. (EEI), and Entergy Systems and Service, Inc., to make available unused capacity on the Entergy system's Telecommunications Backbone System (TBS) to nonassociate companies. Entergy proposes to organize a new subsidiary company (ETC) and provide it funding, through December 31, 1998, up to an aggregate principal amount of \$100 million. ETC proposes to: (1) enter arrangements with the System Operating Companies and other system companies to make available unused capacity on the TBS; (2) engage in research and development activities; (3) effect borrowing from external sources, through December 31, 1998, up to an aggregate principal amount of \$100 million, to be guaranteed by EEI and/or Entergy; and (4) obtain certain services from ESI. (Rel. 35-26337)

LEIDY HUB, INC., ET AL.

A notice has been issued giving interested persons until August 14 to request a hearing on a proposal by National Fuel Gas Company (NFG), a registered public utility holding company, and Leidy Hub, Inc. (Leidy Hub), a nonutility subsidiary of NFG. Leidy Hub proposes to acquire an interest in Enerchange, a company formed to develop, implement and operate an electronic gas trading and nomination system to be incorporated as QuickTrade. In addition, Leidy Hub and NFG propose to make loans to Enerchange and to guarantee certain obligations of Leidy Hub, Enerchange and QuickTrade. (Rel. 35-26337)

SELF-REGULATORY ORGANIZATIONS

WITHDRAWAL GRANTED

An order has been issued granting the application of Monaco Finance, Inc. to withdraw from listing and registration its Class A Common Stock, \$.01 Par Value on the Boston Stock Exchange. (Rel. 34-36005)

An order has been issued granting the application of Goldcorp Inc. to withdraw from listing and registration its Class A Subordinate Voting Shares and its Class B Shares on the American Stock Exchange. (Rel. 34-36006)

An order has been issued granting the application of Orthopedic Technology, Inc. to withdraw from listing and registration its Common Stock, \$.01 Par Value on the Pacific Stock Exchange. (Rel. 34-36007)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-OCC-95-07) filed by The Options Clearing Corporation. The proposed rule change grants temporary approval through May 31, 1996 of OCC's Theoretical Intermarket Margin System (TIMS) for calculating clearing margin positions in equity options. Publication of the proposal is expected in the Federal Register during the week of July 24. (Rel. 34-36003)

The Commission granted accelerated approval to a proposed rule change submitted by the Boston Stock Exchange (SR-BSE-95-13) to extend until April 21, 1996 its pilot program for stopping stock in minimum variation markets. (Rel. 34-36004)

The Commission granted accelerated approval to a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-95-26) to extend until October 21, 1995, its pilot program permitting specialists to stop stock in a minimum variation market. (Rel. 34-36009)

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-95-27) to extend until October 21, 1995, its pilot program permitting specialists to stop stock in a minimum fractional change market. (Rel. 34-36010)

The Commission granted accelerated approval to a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-95-17) to extend until October 21, 1995, its pilot program permitting specialists to stop stock in a minimum variation market. (Rel. 34-36011)

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-95-19) to extend for one year a pilot program to amend Exchange Rule 170 to permit a specialist to effect liquidating transactions under certain circumstances. (Rel. 34-36014)

PROPOSED RULE CHANGE

The New York Stock Exchange filed Amendment No. 2 to a proposed rule change (SR-NYSE-94-34) to amend Rule 92. Publication of the proposal is expected in the Federal Register during the week of July 24. (Rel. 34-36015)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

S-1 TRANSACTION SYSTEMS ARCHITECTS INC, 330 SOUTH 108TH AVE, OMAHA, NE 68154
(402) 390-7600 - 2,875,000 (\$73,132,813) COMMON STOCK. (FILE 33-94338 - JUL. 17) (BR. 10)

S-3 DURA PHARMACEUTICALS INC/CA, 5880 PACIFIC CENTER BLVD, SAN DIEGO, CA
92121 (619) 457-2553 - \$45,425,000 COMMON STOCK. (FILE 33-94340 - JUL. 18)
(BR. 4)

SB-2 MULTIMEDIA CONCEPTS INTERNATIONAL INC, 448 WEST 16TH ST, NEW YORK, NY
10011 (212) 391-2272 - 3,420,000 (\$22,100,000) COMMON STOCK. 400,000
(\$29,040) WARRANTS, OPTIONS OR RIGHTS. 540,000 (\$2,256,000) COMMON STOCK.
(FILE 33-94484-NY - JUL. 11) (BR. 7 - NEW ISSUE)

SB-2 CUTTER & BUCK INC, 2701 FIRST AVE, STE 500, SEATTLE, WA 98121
(206) 622-4191 - 1,753,750 (\$15,783,750) COMMON STOCK. (FILE 33-94528-LA -
JUL. 11) (BR. 4 - NEW ISSUE)

S-1 SC INTERNATIONAL SERVICES INC, 524 EAST LAMAR, ARLINGTON, TX 76011
(817) 792-2123 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE
33-94572 - JUL. 14) (BR. 12 - NEW ISSUE)

S-3 OLD KENT BANK /MI/, ONE VANDENBERG CENTER, GRAND RAPIDS, MI 49503
(616) 771-5000 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES.
(FILE 33-94578 - JUL. 14) (BR. 11 - NEW ISSUE)

S-3 PERSEPTIVE BIOSYSTEMS INC, 38 SIDNEY ST, CAMBRIDGE, MA 02139
(617) 621-1787 - 2,000,000 (\$21,120,000) COMMON STOCK. (FILE 33-94598 -
JUL. 14) (BR. 8)

REGISTRATIONS CONT.

- S-3 PERSEPTIVE BIOSYSTEMS INC, 38 SIDNEY ST, CAMBRIDGE, MA 02139
(617) 621-1787 - 1,973,183 (\$20,836,812.48) COMMON STOCK. (FILE 33-94600 -
JUL. 14) (BR. 8)
- S-1 RESMED INC, 82 WATERLOO RD, NORTH RYDE, NEW SOUTH WALES AUSTRALIA, C3
(612) 878-5244 - 197,000 (\$2,561,000) COMMON STOCK. (FILE 33-94610 -
JUL. 14) (BR. 8)
- S-11 PATRIOT AMERICAN HOSPITALITY INC, 3030 LBJ FREEWAY, STE 1550, DALLAS, TX
75234 (214) 888-8000 - 12,437,250 (\$298,494,000) COMMON STOCK. (FILE
33-94612 - JUL. 14) (BR. 6 - NEW ISSUE)
- S-3 AMERICAN TRAVELLERS CORP, 3220 TILLMAN DR, BENSALEM, PA 19020
(215) 244-1600 - 86,250,000 (\$86,250,000) CONVERTIBLE DEBENTURES AND NOTES.
UNDERWRITER: DONALD LUFKIN & JENRETTE SECS CORP, FURMAN SELZ INC,
ROBINSON HUMPHREY CO INC. (FILE 33-94614 - JUL. 14) (BR. 9)
- S-1 PEPSI COLA PUERTO RICO BOTTLING CO, 26 SIMON MADERA AVE, VILLA PRADES,
RIO PIEDRAS PUERTO RICO, PR 00924 (809) 758-5252 - 8,050,000
(\$120,750,000) COMMON STOCK. (FILE 33-94620 - JUL. 14) (BR. 11
- NEW ISSUE)
- S-3 AGRI-NUTRITION GROUP LTD, 13801 RIVERPORT DRIVE STE 111,
RIVERPORT EXECUTIVE CENTER II, MARYLAND HEIGHTS, MO 63043 (314) 298-7330 -
1,868,500 COMMON STOCK. 218,500 WARRANTS, OPTIONS OR RIGHTS. (FILE
33-94622 - JUL. 14) (BR. 4)
- S-1 FITZGERALDS GAMING CORP, 301 FREMONT ST, LAS VEGAS, NV 90071
(702) 388-2400 - 135,000,000 (\$135,000,000) STRAIGHT BONDS. 4,050,000
(\$56,350,000) COMMON STOCK. (FILE 33-94624 - JUL. 14) (BR. 1 - NEW ISSUE)
- S-8 IOWA BANCORP INC, 3624 6TH AVE, DES MOINES, IA 50313 (515) 288-4865 -
51,152 (\$690,553) COMMON STOCK. (FILE 33-94628 - JUL. 14) (BR. 1)
- SB-2 ADVANCED MEDICAL CONCEPTS INC, 3 CROW CANYON CT, STE 200, SAN RAMON, CA
94583 (415) 831-1710 - 850,000 (\$5,100,000) COMMON STOCK. (FILE 33-94632 -
JUL. 12) (BR. 6)
- F-9 FAIRFAX FINANCIAL HOLDINGS LTD, 95 WELLINGTON ST WEST, STE 800,
TORONTO ONTARIO CAN, A6 (416) 367-4941 - 100,000,000 (\$100,000,000)
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 33-94634 - JUL. 17) (BR. 10)
- S-8 ULTIMATE ELECTRONICS INC, 9901 WEST 50TH AVE, WHEAT RIDGE, CO 80033
(303) 420-1366 - 250,000 (\$2,921,875) COMMON STOCK. (FILE 33-94636 -
JUL. 17) (BR. 2)
- S-8 SYBASE INC, 6475 CHRISTIE AVE, EMERYVILLE, CA 94608 (510) 922-3500 -
4,730,480 (\$144,575,925) COMMON STOCK. (FILE 33-94638 - JUL. 17) (BR. 9)
- S-8 SCANSOURCE INC, 605 HAYWOOD RD, GREENVILLE, SC 29615 (803) 288-2432 -
200,000 (\$1,850,000) COMMON STOCK. (FILE 33-94640 - JUL. 17) (BR. 11)

REGISTRATIONS CONT.

- F-9 METHANEX CORP, 1800 WATERFRONT CENTER, 200 BARRARD STREET,
VANCOUVER BC CANADA V6C 3M1, (604) 684-7500 - 400,000,000 (\$400,000,000)
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 33-94642 - JUL. 17) (BR. 2)
- S-3 THORNBURG MORTGAGE ASSET CORP, 119 E MARCY ST STE 201, SANTA FE, NM
87501 (505) 989-1900 (FILE 33-94646 - JUL. 17) (BR. 6)
- S-8 GLACIER BANCORP INC, 202 MAIN ST, PO BOX 27, KALISPELL, MO 59903
(406) 756-4200 - 279,768 (\$5,070,795) COMMON STOCK. (FILE 33-94648 -
JUL. 17) (BR. 2)
- S-8 HEART LABS OF AMERICA INC/FL/, 2650 N MILITARY TRAIL STE 220,
BOCA RATON, FL 33431 (407) 241-7857 - 510,000 (\$1,312,525) COMMON STOCK.
(FILE 33-94650 - JUL. 17) (BR. 6)
- F-3 HANSON PLC, 1 GROSVENOR PLACE, LONDON WS1X 7JH ENGL, X0 00000
(071) 245-1245 - \$850,000,000 FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE
33-94652 - JUL. 17) (BR. 2)
- S-8 FIRST FEDERAL BANCORP INC/OH/, 505 MARKET STREET, ZANESVILLE, OH 43701
(614) 453-0606 - 28,000 (\$396,200) COMMON STOCK. (FILE 33-94654 - JUL. 17)
(BR. 1)
- S-8 FIRST FEDERAL BANCORP INC/OH/, 505 MARKET STREET, ZANESVILLE, OH 43701
(614) 453-0606 - 50,455 (\$718,052.50) COMMON STOCK. (FILE 33-94656 -
JUL. 17) (BR. 1)
- S-3 THERMOLASE CORP, 9550 DISTRIBUTION AVE, SAN DIEGO, CA 92121
(619) 587-5885 - 200,000 (\$4,125,000) COMMON STOCK. (FILE 33-94658 -
JUL. 17) (BR. 9)
- S-8 GLACIER WATER SERVICES INC, 2261 COSMOS CT, CARLSBAD, CA 92009
(619) 930-2420 - 114,146 (\$2,702,991.76) COMMON STOCK. (FILE 33-94660 -
JUL. 17) (BR. 2)
- S-8 STAKE TECHNOLOGY LTD, 2838 HWY 7, NORVAL ONTARIO CANADA L0P 1K0, A6
(905) 455-1990 - 500,000 (\$885,000) COMMON STOCK. (FILE 33-94662 -
JUL. 14) (BR. 9)
- F-6 CORPORACION INDUSTRIAL SANLUIS S A DE C V/ADR/, 60 WALL ST, NEW YORK, NY
10260 (212) 648-3200 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-94664 - JUL. 14) (BR. 99)
- S-3 ACX TECHNOLOGIES INC, 16000 TABLE MOUNTAIN PKWY, GOLDEN, CO 80403
(303) 271-7000 (FILE 33-94666 - JUL. 17) (BR. 8)
- N-1A DEVCAP TRUST, 6 ST JAMES AVE, BOSTON, MA 02116 (617) 423-0800 -
INDEFINITE SHARES. (FILE 33-94668 - JUL. 14) (BR. 18 - NEW ISSUE)
- S-3 ASCEND COMMUNICATIONS INC, 1275 HARBOR BAY PKWY, ALAMEDA, CA 94502
(510) 769-6001 - 2,300,000 (\$126,500,000) COMMON STOCK. (FILE 33-94672 -
JUL. 17) (BR. 10)

REGISTRATIONS CONT.

S-3 GRYPHON HOLDINGS INC, 30 WALL ST, 6TH FLOOR, NEW YORK, NY 10005
(212) 825-1200 - 1,437,450 (\$22,191,353.10) COMMON STOCK. (FILE 33-94674 -
JUL. 17) (BR. 9)

S-8 CSR LTD, 1 OCONNELL ST, LEVEL 24, SYDNEY NEW SOUTH WALES, C4 -
3,000,000 (\$10,110,000) FOREIGN COMMON STOCK. (FILE 33-94676 - JUL. 17)
(BR. 9)



U. S. Securities and Exchange Commission

Washington, D.C. 20549

(202) 942-0020

News
Release

FOR IMMEDIATE RELEASE

95-141

SEC NAMES RICHARD R. LINDSEY CHIEF ECONOMIST

Washington, D.C., July 25, 1995 -- Securities and Exchange Commission Chairman Arthur Levitt today announced the appointment of Richard R. Lindsey as Chief Economist of the Commission. Mr. Lindsey, who replaces Susan Woodward, will have the primary responsibility for conducting economic analysis of SEC policies and regulatory programs.

Mr. Lindsey, 40, has been an Assistant Professor of Finance at the Yale School of Management since 1991. He has been on a leave of absence from the Yale School of Management since July 1994 to conduct financial market research as a Visiting Economist at the New York Stock Exchange. Previously, Mr. Lindsey was Berkeley Options Database Manager at the University of California at Berkeley from 1987 to 1991. He has also served as a consultant for Nikko Securities Company since 1991 and as a Visiting Research Scholar at the Nikko Research Center in Tokyo, Japan. From 1980-1984, Mr. Lindsey served as a Plant Manager and Division Manager with CertainTeed Corporation.

Mr. Lindsey received his Ph.D. from the University of California, Berkeley in 1992. He earned an M.B.A. in Finance in 1984 from the University of Dallas. In 1978, he earned an M.S. in Chemical Engineering from the University of California, Berkeley and his B.S. in Chemical Engineering from the Illinois Institute of Technology in 1976.

Chairman Levitt said: "Richard Lindsey's extensive practical and academic experience will enhance the Commission's ability to deal with complex qualitative and quantitative financial issues. He will play an integral role in our efforts to maintain the Commission's knowledge and expertise of the ever evolving capital markets. I look forward to working with him."

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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 35986 / July 18, 1995

ADMINISTRATIVE PROCEEDING
File No. 3-8756

In the Matter of	:	ORDER INSTITUTING
	:	PUBLIC PROCEEDINGS,
DAVID C. WILEY,	:	MAKING FINDINGS AND IMPOSING
	:	REMEDIAL SANCTIONS
Respondent.	:	

I.

The Commission deems it appropriate that public proceedings be instituted pursuant to Section 15(b)(4) of the Securities Exchange Act of 1934 ("Exchange Act") against David C. Wiley ("Wiley").

In anticipation of the institution of these proceedings, Wiley has submitted an Offer of Settlement, which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in this Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions ("Order"), except for those facts which are set forth in paragraph III.A. below, which are admitted, Wiley consents to the entry of this Order.

II.

Accordingly, IT IS ORDERED that proceedings pursuant to Section 15(b)(4) of the Exchange Act are hereby instituted.

III.

On the basis of this Order and the Offer of Settlement submitted by Wiley, the Commission finds that:^{1/}

^{1/} The findings herein are made pursuant to Respondent Wiley's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

A. On September 27, 1994, the Commission filed an action against Wiley and others captioned Securities and Exchange Commission v. Michael J. Randy, et al., Civil Action No. 94-C-5902 in the United States District Court for the Northern District of Illinois, Eastern Division. On June 29, 1995, a Final Judgment of Permanent Injunction was entered against Wiley, with his consent and without his admitting or denying the allegations contained in the Complaint, except as to jurisdiction, permanently enjoining him from, directly or indirectly, violating Sections 5(a), 5(c), 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 promulgated thereunder.

B. From at least October 1991 to October 1992, Wiley willfully violated Section 17(a) of the Securities Act in that, in the offer and sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce and by the use of the mails, directly and indirectly, he employed devices, schemes and artifices to defraud; obtained money and property by means of untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in transactions, practices, and courses of business which operated or would operate as a fraud and deceit upon the purchaser.

As part of this conduct, Wiley and his agent, in the offer and sale of Canadian Trade Bank, Ltd. "certificates of deposit" ("CTB CDs") misrepresented material facts and omitted to state material facts to investors concerning the safety of the investment, the receipt of commissions and the use of proceeds. Specifically, Wiley and his agent misrepresented to investors that CTB CDs were guaranteed by the Canadian government; that CTB CDs were insured by Lloyds of London and other insurance companies; that CTB was audited by a governmental agency; that CTB consisted of a large foundation outside of the United States which was funded with over \$400 million; that CTB invested funds all over the world; that CTB was able to pay high interest because it had low overhead costs; and that CTB was a bank licensed by the State of Grenada and was also licensed to operate in the United States out of Chicago. Furthermore, Wiley and his agent failed to inform investors that they received 10% commissions for selling the CTB CDs, that CTB was not an actual bank legally licensed by the Grenadian government, the United States government or the state of Illinois, and that substantially all CTB activities were performed by Randy out of his offices in Illinois. Wiley and his agent sold at least \$1.5 million worth of the CTB CDs to at least 25 investors and received at least \$157,000 in commissions.

C. From at least October 1991 to October 1992, Wiley willfully violated Section 10(b) of the Exchange Act and Rule 10b 5 thereunder in that, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, in connection with the purchase and sale of securities, he employed devices, schemes and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated or would operate as a fraud and deceit.

As part of this conduct, Wiley engaged in the activities described in paragraph III.B. above.

D. From at least October 1991 to October 1992, Wiley willfully violated Section 15(a) of the Exchange Act in that he made use of the mails and means and instruments of interstate commerce to effect transactions in, and induced the purchase of securities without being registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act.

As part of this conduct, Wiley effected transactions in and induced the purchase of CTB CDs without being registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act.

E. From at least October 1991 to October 1992, Wiley willfully violated Section 5(a) of the Securities Act in that, directly and indirectly, he made use of the means and instruments of transportation and communication in interstate commerce and of the mails, through the use or medium of a prospectus and otherwise, to sell securities and carried and caused to be carried through the mails and interstate commerce, by the means and instruments of transportation, securities, for the purpose of sale and delivery after sale, without a registration statement being in effect with respect to such securities.

As part of this conduct, Wiley sold CTB CDs to investors without a registration statement being in effect with respect to such securities.

F. From at least October 1991 to October 1992, Wiley willfully violated Section 5(c) of the Securities Act in that, directly and indirectly, he made use of the means and instruments of transportation and communication in interstate commerce and of the mails to offer to sell, through the use of a prospectus or otherwise, securities, without a registration statement being filed with respect to such securities.

As part of this conduct, Wiley offered to sell CTB CDs without a registration statement being filed with respect to such

securities.

IV.

In view of the foregoing, it is in the public interest to impose the sanction specified in the Offer of Settlement.

Accordingly, IT IS HEREBY ORDERED THAT:

Wiley be, and hereby is, barred from association with any broker, dealer, investment company, investment adviser, or municipal securities dealer.

By the Commission.

Jonathan G. Katz
Secretary