

# sec news digest

Issue 94-188

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## COMMISSION ANNOUNCEMENTS

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### NOTICE TO READERS

Chairman Levitt announced that starting today, the Commission will be publishing the SEC News Digest on a public federal electronic bulletin board called Fedworld operated by the Department of Commerce. Fedworld will also carry a variety of additional investor oriented material including informational brochures, investor columns and bulletins, selected releases concerning rule making and texts of speeches and testimony.

Anyone with a modem and communications software can connect directly with the Fedworld bulletin board by dialing (703) 321-8020. Internet users should type "telnet fedworld. gov" to attach to the same service. Use of the bulletin board is free and there is no charge for downloading any of the SEC information. Each user selects a password and is immediately entitled to 180 minutes of free connect time each day.

All Commission information can be located under the "Subsystems" option on the Fedworld main menu. The current Digest can be accessed by selecting "Bulletins" from the SEC Main Menu. A collection of issues of the Digest covering approximately one month is available by selecting "SEC News Digest Library." Readers currently receiving hard copy editions of the Digest are encouraged to consider cancelling their subscriptions in view of the availability of this more prompt and efficient means of dissemination of the publication. Cancellation requests should be mailed to Shirley Chestnut, Office of Public Affairs, Securities and Exchange Commission, Washington, D.C. 20659. Requests can also be faxed to Ms. Chestnut at (202) 272-3112.

### COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding open meetings on Wednesday mornings. Otherwise, meetings will be scheduled according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, D.C. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

Any member of the public who requires auxiliary aids such as a sign-language interpreter or material on tape to attend a public meeting should contact Nancy Wolynetz, Office of Administrative and Personnel Management, to make arrangements. Ms. Wolynetz can be reached at (202) 942-4091 or at a TTY number (202) 942-4075. Staff members at the Commission are encouraged to contact Ms. Wolynetz if they receive inquiries on availability of auxiliary aids.

OPEN MEETING - WEDNESDAY, OCTOBER 5, 1994 - 11:00 A.M.

The subject matter of the open meeting scheduled for Wednesday, October 5, 1994, at 11:00 a.m., will be:

The Commission will hear oral argument on an appeal by George Salloum, former head trader of Thomas James Associates, Inc., and by the Commission's Division of Enforcement, from an administrative law judge's initial decision. For further information, please contact Kermit B. Kennedy at (202) 942-0879.

CLOSED MEETING - WEDNESDAY, OCTOBER 5, 1994 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting scheduled for Wednesday, October 5, 1994, following the 11:00 a.m. open meeting will be: Post oral argument discussion.

CLOSED MEETING - THURSDAY, OCTOBER 6, 1994 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, October 6, 1994, at 10:00 a.m., will be: Regulatory matter regarding financial institutions; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Institution of injunctive actions; and Opinion.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

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## ENFORCEMENT PROCEEDINGS

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### IN THE MATTER OF RICHARD SHANNON AND RICHARD SHANNON D/B/A CONCEPT MANAGEMENT GROUP

The Commission today announced that it has simultaneously instituted and settled administrative proceedings against Richard E. Shannon (Shannon) and Richard E. Shannon d/b/a Concept Capital Management Group (Concept) (Shannon and Concept are hereinafter referred to as the "Respondents), pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934. The Respondents, without admitting or denying the findings, except as to the entry of the permanent injunction and as to Shannon's criminal conviction, described below, which are admitted, consented to the issuance by the Commission of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions (Order). Pursuant to the Order, Shannon and Concept are barred from association with any broker, dealer, investment company, investment adviser or municipal securities dealer.

The Order makes findings that, from in or about August 1987 to in or about July 1992, Shannon, through Concept, a sole proprietorship, operated as an unregistered broker and dealer. The Order further finds that on or about October 20, 1992, Shannon pled guilty to New York State criminal charges of tax evasion and larceny in connection with Shannon's activities as an unregistered broker and dealer; that Shannon is currently serving two concurrent sentences of two to six years in a New York State penitentiary; and that on September 20, 1994, Shannon and Concept were permanently enjoined on consent by the United States District Court for the Northern District of New York from future violations of the broker-dealer registration and antifraud provisions of the federal securities laws (SEC v. Richard E. Shannon, et al., 93 Civ. 0199, FJS/DNH, NDNY, 1993).

The Commission filed its complaint on February 11, 1993 seeking an Order of Injunction against the Respondents enjoining them from future violations of the antifraud and broker-dealer registration provisions of the federal securities laws, and seeking an accounting, disgorgement, plus prejudgment interest, and civil penalties. The Commission's complaint alleged, among other things, that, from in or about August 1987 to in or about July 1992, Shannon and Concept held themselves out as brokers and dealers and, in connection therewith, solicited at least seven investors and raised in excess of \$200,000 for the purpose of investing in securities through Concept. The complaint further alleged that neither Shannon nor Concept was registered with the Commission as a broker-dealer.

The complaint further alleged that the Respondents knowingly or recklessly made materially false and misleading statements to investors, in that, among other things, the Respondents represented to investors that they would purchase securities with investors' funds when, in fact, no securities were purchased; sent false and misleading confirmation statements to investors which reflected the purchase and sale of securities for customer accounts when, in fact, no securities were purchased or sold; and held themselves out to investors as registered broker-dealers when, in fact, neither Shannon nor Concept was registered with the Commission as a broker-dealer. The complaint further alleged that the Respondents spent investors' funds for Respondents' personal benefit. (Rel. 34-34715)

#### RULE 2(e) PROCEEDINGS INSTITUTED AGAINST GLENN DEANS

The Commission instituted public administrative proceedings pursuant to Rule 2(e)(1)(ii) of the Commission's Rules of Practice against Glenn N. Deans, a Certified Public Accountant.

The Commission alleges that Deans engaged in improper professional conduct by certifying that the 1988, 1989 and 1990 financial statements of Puryear Realty Resources, Inc., which appeared in registration statements filed with the Commission, had been prepared in accordance with generally accepted accounting principles, and audited in accordance with generally accepted auditing standards, when, in fact, they had not been.

A hearing will be scheduled to determine whether the allegations against Deans are true, and, if so, what remedial action, if any, is appropriate. (Rel. 34-34719; AAE Rel. 599)

#### CEASE AND DESIST ORDER ISSUED AGAINST JEFFREY COOPER

The Commission today announced the entry of Findings, Cease and Desist Order Pursuant to Section 21C of the Exchange Act of 1934 (Exchange Act), and Remedial Sanctions (Order) against Jeffrey R. Cooper (Cooper) finding that Cooper violated Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21 thereunder [17 C.F.R. § 240.10b-21, originally adopted as 17 C.F.R. § 240.10b-21(T)]. Simultaneous with the entry of the Order, the Commission accepted Cooper's Offer of Settlement in which he, without admitting or denying the findings, consented to the entry of the Order requiring him to cease and desist from committing violations and agreed to the disgorgement of illegal profits.

The Commission found that, Cooper, with respect to five public offerings, sold securities short during the period after the registration statement was filed, but before the offered shares became publicly available, and subsequently covered the short positions with securities purchased in the public offerings, violating Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21 thereunder. The Commission further found that Cooper realized illegal profits and ordered him to disgorge profits of \$9,722.30 with interest thereon of \$2,954.31. (Rel. 34-34752)