

# SEC NEWS DIGEST

Issue 2002-7

January 10, 2002

---

## ENFORCEMENT PROCEEDINGS

---

### **LYNN BENTLEY, WIFE OF DEFENDANT ROBERT BENTLEY NAMED AS RELIEF DEFENDANT IN AMENDED COMPLAINT**

On January 9, the Commission filed an amended complaint adding as a relief defendant, Lynn S Bentley of Paoli, Pennsylvania in the pending case of SEC v Robert L Bentley, Entrust Group and Bentley Financial Services, Inc, Civ Action No 53-66 (Eastern District of Pennsylvania)

The amended complaint alleges that Lynn Bentley has directly or indirectly received proceeds of the fraudulent conduct alleged in the complaint. Lynn Bentley is the wife of Robert L Bentley, a defendant in the case. The amended complaint seeks a court order requiring Lynn Bentley to disgorge those proceeds.

Previously the court entered a preliminary injunction and order continuing the appointment of a receiver and asset freeze against Robert L Bentley, Bentley Financial Services, Inc and Entrust Group. The preliminary injunction prohibits violations of the antifraud and broker-dealer registrations provisions set forth in Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The order continues a freeze of the defendants' assets and the appointment of David H Marion of the Philadelphia law firm Montgomery, McCracken, Walker & Rhoads LLP as a receiver to take control of their assets. The defendants consented to the entry of the preliminary injunction and order without admitting or denying the Commission's allegations in the action. A trial date in the action has not been set.

The Commission's complaint alleged that the defendants claimed to be selling bank-issued, federally insured certificates of deposit (CDs), but that the defendants were in fact selling uninsured securities. Although the defendants were using at least some investor funds to buy CDs, the terms of the CDs often varied substantially from those of the securities defendants were selling. The Commission also alleged that, in many cases, investors had to rely on the defendants' ability to attract new investors in order for previous investors to receive repayment of their principal. Accordingly, investors were not buying the low-risk, federally-insured CDs that they were promised. Rather, they were buying higher risk securities issued by defendants, whose business was uninsured, unaudited and unregulated. When the Commission filed the action, hundreds of financial institutions and individual investors located nationwide had over \$300 million invested

with the defendants. [SEC v Robert L. Bentley, Entrust Group and Bentley Financial Services, Inc , Civ. Action No 53-66, EDPA] (LR-17298)

## **JUDGE ORDERS PERMANENT INJUNCTION AGAINST NICHOLAS LOBUE**

The Commission announced that on December 15, 2000, the Honorable Milton I Shadur, United States District Judge for the Northern District of Illinois, entered a Final Judgment and Order of Permanent Injunction and Other Equitable Relief (Final Judgment) against Nicholas LoBue (LoBue). LoBue consented to the entry of the Final Judgment without admitting or denying the allegations in the Commission's Complaint

The Final Judgment permanently enjoins LoBue from future violations of Section 17(a) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder and from aiding and abetting violations of Section 15(b)(7) of the Exchange Act and Rule 15b7-1 thereunder. The Final Judgment also orders the payment of \$208,373 in disgorgement and prejudgment interest but waives payment of such amount and does not impose a civil penalty based upon LoBue's demonstrated inability to pay

The Commission's complaint, filed on September 29, 1999, alleged that from on or about December 1996 through approximately June 1997, LoBue and Todd Hansen (Hansen) raised about \$660,000 from investors and that Hansen and LoBue misappropriated approximately \$234,000. The complaint also alleged that Hansen and LoBue sent investors false account statements showing trading profits instead of losses. Furthermore, the complaint alleged that Hansen and LoBue made misrepresentations and failed to state material facts about Hansen's criminal background and his actual employment status with Pavilion Securities. Finally, the complaint alleged that Hansen was not registered with the Commission at the time he was offering for sale and selling securities to investors. The judge entered a similar Final Judgment and Order of Permanent Injunction and Other Equitable Relief against Hansen on September 22, 2000. [SEC v Todd Hansen and Nicholas LoBue, USDC, ND Ill , Case No 99-C-6386] (LR-17299)

---

## **HOLDING COMPANY ACT RELEASES**

---

### **AMERICAN ELECTRIC POWER COMPANY, INC.**

A supplemental notice has been issued giving interested persons until February 4, 2002, to request a hearing on a proposal by American Electric Power Company, Inc , a registered holding company, to issue and sell up to an aggregate of \$3.0 billion in securities through June 30, 2004. This notice replaces in its entirety a notice issued on January 2, 2002 (HCAR No 27488) (Rel 35-27489)

---

## 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.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N W, Washington, D C 20549 or at the following e-mail box address <publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website <www.sec.gov>.

F-3 UNITED MICROELECTRONICS CORP, 993 HIGHLAND CIRCLE, TUNHWA SOUTH  
RD,  
LOS ALTOS, CA 94024 (011) 886-3577 - 242,292,928 (\$460,356,563.20)  
FOREIGN COMMON STOCK. (FILE 333-14256 - JAN. 02) (BR. 5)

S-B ISRAEL STATE OF, 800 SECOND AVENUE 17TH FLOOR, NEW YORK, NY 10017  
(212) 560-0600 - 1,250,000,000 (\$1,250,000,000) STRAIGHT BONDS. (FILE  
333-14258 - JAN. 03) (BR. 99)