

**ANNUAL REPORT**

**OF THE**

**Banking Commissioner**

**OF THE**

**STATE OF CONNECTICUT**

**FOR THE YEAR ENDED DECEMBER 31, 1992**

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**RALPH M. SHULANSKY**  
**BANKING COMMISSIONER**

**BARBARA S. McGRATH**  
**DEPUTY COMMISSIONER**

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deposits of \$2.5 billion and 706,203 members. Net capital to assets was 7.7% and delinquency loans to total loans was 2.0%. Connecticut federal credit unions are supervised by the NCUA's Region 1 office located in Albany, New York.

## SECURITIES AND BUSINESS INVESTMENTS DIVISION

Subject to the general supervision of the Banking Commissioner, the Securities and Business Investments Division is charged with administering Chapter 662 of the Connecticut General Statutes, The Connecticut Uniform Securities Act; Chapter 662a of the Connecticut General Statutes, The Connecticut Business Opportunity Investment Act; and Chapter 661 of the Connecticut General Statutes, The Connecticut Tender Offer Act.

The division is responsible for 1) the registration of securities and business opportunity offerings for sale in Connecticut; 2) the registration of broker-dealers, agents, investment advisers and investment adviser agents as well as the registration of broker-dealer and investment adviser branch offices; 3) the examination of broker-dealer, investment adviser and branch office registrants; and 4) enforcement of the state's securities, business opportunity and tender offer laws.

As of year-end 1992, and excluding vacancies, the division was comprised of a division director, two assistant division directors, one chief examiner, 16 examiners, three Accounting Career Trainees and eight support personnel.

### *Activities*

As of year-end 1992, 53,396 individuals were registered to represent broker-dealers in offering and selling securities. This was a 5% increase over 1991. The number of registered broker-dealers also increased 5%, from 1,491 in 1991 to 1,567 in 1992. In addition, the number of registered investment advisers rose 24%, from 660 in 1991 to 821 in 1992, and the number of registered investment adviser agents increased by 43%, from 4,266 in 1991 to 6,110 in 1992. Also during 1992, 57 broker-dealer and 58 investment adviser examinations were conducted.

In 1992, the division received a total of 5,417 registration filings for securities to be sold in Connecticut. The number of initial investment company registrations increased by 58.1%, from 535 in 1991 to 846 in 1992. Mutual fund renewal registrations were up approximately 14.7% from 1991. The number of business opportunity initial registrations increased from 57 to 60 in 1992. Forty-three business opportunity renewal registrations were processed during the year, up 23% from 35 in 1991. No filings were received under the Connecticut Tender Offer Act. (*See Table 38*)

In conjunction with the division's securities enforcement program, 181 investigations were opened in 1992, up from 120 in 1991, 168 investigations were closed and 74 investigations were in progress as of Dec. 31, 1992. Six cease and desist orders, naming 15 parties, were issued under The Connecticut Uniform Securities Act. In addition, two criminal referrals and one civil referral were made during the year. With respect to the

division's business opportunity enforcement program, 71 investigations were opened, 86 investigations were closed and 21 investigations were in progress as of Dec. 31, 1992. Three business opportunity-related cease and desist orders, naming 10 parties, were issued during the year. Of all the securities and business opportunity-related complaints and investigations handled, most were resolved at the administrative level prior to being closed.

Many administrative resolutions of enforcement matters took the form of remedial "stipulation and agreements" and consent orders wherein the division sought corrective measures as well as monetary fines and the reimbursement of investigative costs. For example, 41 stipulation and agreements, naming 47 parties, were executed in conjunction with securities related matters (see Table 39). The total amount of fines, penalties and costs imposed through administrative fines and informal resolutions of securities and business opportunity-related matters totaled \$186,390 (see Table 39). The division found the use of stipulation and agreements and consent orders to be an effective supplement to its array of enforcement tools.

In addition, informal division intervention resulted in \$1,075,935 being offered and/or returned to Connecticut investors during 1992. (see Table 39).

## LEGISLATION

During the 1992 session of the General Assembly, the following public acts affecting areas regulated by the Department of Banking were approved and signed into law:

### *Banks and Savings Institutions*

*P.A. 92-2, An Act Concerning Home Mortgage Disclosure Requirements* (effective October 1, 1992) amends Section 36-446 of the General Statutes to require state financial institutions to disclose the reason for denial in connection with each mortgage loan application that is denied by the financial institution, and specifies the methods for reporting the information.

*P.A. 92-5, An Act Authorizing Savings Banks To Invest Assets In Investment Companies Owned In Part By Connecticut Bank Trade Associations* (effective April 8, 1992) amends Section 36-96(12) of the General Statutes to include Connecticut bank trade associations in the list of permissible owners of shares in investment companies.

*P.A. 92-7, An Act Concerning Troubled Financial Institutions* (effective April 8, 1992) provides the Commissioner with the authority to exempt transactions involving troubled state and federal institutions in Connecticut, as defined, from any requirement under Title 36 of the Connecticut General Statutes and the regulations promulgated thereunder, except for the requirement of federal deposit insurance.

*P.A. 92-9, An Act Concerning School Savings* (effective April 14, 1992) amends Sections 36-108 and 36-183 of the General Statutes to authorize school superintendents and principals to collect savings deposits from pupils either directly or indirectly through their authorized agents who may be

**Table No. 35**  
**REGISTRATIONS**  
**BROKER-DEALERS, INVESTMENT ADVISERS AND AGENTS**

	In Effect Dec. 31		Increase (Decrease)	
	1992	1991	1992	1991
Broker-Dealers .....	1,567	1,491	5.1%	(2.0%)
Agents .....	53,396	50,659	5.4%	4.0%
Investment Advisers .....	821	660	24.4%	9.0%
Investment Adviser Agents .....	6,110	4,266	43.2%	41.0%
Agent of Issuer .....	140	123	13.8%	13.9%
Broker-Dealer Branch Offices .....	608	490		
Investment Adviser Branch Offices .....	138	110		

  

	<u>Broker-Dealers</u>	<u>Agents</u>	<u>Investment Advisers</u>	<u>Investment Adviser Agents</u>
Applications:				
Received .....	321	20,325	218	1,505
Withdrawn by Request .....	0	68	0	0
Withdrawn Voluntary .....	121	16,019	6	258
Special Review (Agents) .....		154		
Registrations Approved .....	213	20,134	190	2,366
Branch Offices Registered .....	200		33	

**Table No. 36**  
**TREND IN BROKER-DEALER, INVESTMENT ADVISER AND AGENT REGISTRATIONS**

Year	Broker - Dealers	Percent Increase (Decrease)	Agents	Percent Increase (Decrease)	Investment Advisers	Percent Increase (Decrease)	Investment Adviser Agents	Percent Increase (Decrease)	Agents of Issuer	Percent Increase (Decrease)
1955	251	13.1	1,177	47.3	22	29.4	13	8.3	...	...
1960	312	24.3	2,223	88.8	24	8.3	23	77.0	...	...
1965	345	10.5	3,268	47.0	42	75.0	62	169.5	...	...
1966	346	.0	3,703	13.3	47	11.9	85	37.0	...	...
1967	353	2.0	4,112	11.0	56	19.6	110	29.4	...	...
1968	390	10.5	5,159	25.7	60	7.1	125	13.6	...	...
1969	434	11.3	5,955	15.4	72	20.0	145	16.0	...	...
1970	451	3.9	6,429	9.6	81	12.5	171	17.9	...	...
1971	464	2.9	6,522	1.4	86	6.2	191	11.7	...	...
1972	499	7.5	7,305	12.0	103	19.7	226	18.3	...	...
1973	464	(7.0)	7,519	2.9	109	5.8	235	4.0	...	...
1974	463	(.2)	7,543	.3	121	11.0	188	22.6	...	...
1975	453	(2.2)	7,899	4.7	135	11.6	322	11.8	...	...
1976	476	5.1	8,926	13.0	156	15.6	355	10.2	...	...
1977	494	3.8	9,611	7.7	186	19.2	383	7.9	3	...
1978	530	7.3	10,809	12.5	199	7.0	438	14.4	22	63.3
1979	511	(3.6)	11,318	4.7	189	(5.0)	453	3.4	178	254.5
1980	575	12.5	12,962	14.5	193	2.1	495	9.3	136	74.4
1981	647	11.1	14,700	11.8	200	3.5	618	19.9	193	29.5
1982	745	13.2	18,707	21.4	214	6.5	775	20.3	241	19.9
1983	916	22.9	22,587	20.7	263	22.9	1,095	41.2	151	(37.3)
1984	1,154	24.9	28,964	28.0	310	17.9	1,547	41.5	169	11.9
1985	1,237	7.2	33,790	16.7	341	10.0	1,798	16.2	194	14.8
1986	1,321	6.8	40,929	21.75	399	17.0	2,286	37.1	254	14.9
1987	1,418	6.7	47,332	15.64	468	17.3	3,645	59.5	258	1.6
1988	1,549	9.2	49,337	4.2	538	15.0	3,325	(8.8)	222	(14.0)
1989	1,563	.9	51,465	4.3	581	8.0	2,863	(13.9)	125	(48.5)
1990	1,517	(3.0)	48,685	(5.4)	605	4.1	3,023	5.5	108	(13.6)
1991	1,491	(2.0)	50,659	4.0	660	9.0	4,266	41.0	123	13.9
1992	1,567	5.1	53,396	5.4	821	24.4	6,110	43.2	140	13.8

**Table No. 37**  
**ROUTINE EXAMINATIONS**  
**BROKER-DEALERS AND INVESTMENT ADVISERS**

	1992	1991
Broker-Dealers .....	57	43
Investment Advisers .....	58	17

**Table No. 38**  
**REGISTRATIONS FILED AND EFFECTED FOR**  
**SECURITIES, BUSINESS OPPORTUNITIES AND TENDER OFFERS**

	Received		Effected	
	1992	1991	1992	1991
<b>Securities</b>				
Open End Management Investment Company				
Initial Registrations .....	846	535	709	476
Open End Management Investment Company				
Renewals .....	2,913	2,538	2,723	2,317
Unit Investment Trust Initial Registrations .....	440	469	423	399
Unit Investment Trust Renewals .....	10	18	9	18
Post-sale Registrations .....	1	7	1	7
All others .....	1,207	919	1,057	769
Total Securities Registrations .....	5,417	4,486	4,922	3,986
<b>Securities Exemption Filings</b>				
Regulation D Filings .....	1,274	1,056	1,274	1,056
<b>Business Opportunities</b>				
Business Opportunity Initial Registrations .....	60	57	41	51
Business Opportunity Renewals .....	43	35	37	27

**Table No. 39**  
**ENFORCEMENT ACTIVITIES**  
**SECURITIES AND BUSINESS OPPORTUNITIES**

	Securities		Business Opportunities	
	1992	1991	1992	1991
Investigations Opened .....	181	120	71	135
Investigations Closed .....	168	130	86	142
Investigations in Progress, (Dec. 31) .....	74	87	21	24
Subpoenas Issued .....	49	49	3	9
*Cease and Desist Orders .....	6 (15)	4 (11)	3 (10)	11 (31)
*Denial, Suspension & Revocation Orders .....	4 (4)	1 (5)	0	0
Cancellation Orders .....	0	8	N/A	N/A
*Notices of Intent to Fine .....	1 (1)	2 (5)	0	2 (5)
Orders Imposing Fine .....	0	0	0	0
*Consent Orders .....	4 (4)	6 (11)	0	0
*Stipulation and Agreements .....	41 (47)	36 (39)	3 (4)	2 (2)
Criminal Referrals .....	2	6	0	0
Civil Referrals (AG) .....	1	7	1	1
Fines, Penalties & Costs Imposed .....	\$186,390	\$484,690	\$11,000	\$3,500
Offered and/or Returned to Investors				
Following Informal Division Intervention .....	\$1,075,935	\$228,231	0	N/A

\*Parenthetical number indicates number of parties named in Notice, Order or Stipulation and Agreement.

# ROSTER

## DEPARTMENT OF BANKING

### ADMINISTRATION

Ralph M. Shulansky, *Banking Commissioner*

Barbara S. McGrath, *Deputy Banking Commissioner*

Jeanne M. Charbonneau                      Marjorie D. Kagan  
*Secretary to the Commissioner      Secretary to the Deputy Commissioner*

#### Government Relations

Robert J. Carragher

*Executive Assistant*

Kathleen A. Hogan

*Secretary 2*

#### Public Information

Gregory E. Futoma, *Communications Specialist*

David Tedeschi, Jr., *Communications Officer*

Kristine M. Fonte, *Secretary 1*

#### Affirmative Action

Lauren L. Shuck, *Affirmative Action Program Manager*

#### Legal Division

Gayle S. Fierer, *Banking Supervising Administrative Attorney*

*Banking Administrative Attorney 2*

Nirja N. Savill              Robert S. Rosenthal              Doniel Kitt

*Banking Administrative Attorney 1*

William E. Bartol

*Staff Assistants*

Tina M. Daigle

*Administrative Assistant*

Mary Beth Anderson

*Secretary 2*

Beverly P. Blackstone

*Secretary 1*

#### Personnel and Business Office

Charles Fischer, *Fiscal/Administrative Manager 1*

Debra L. Patterson, *Fiscal/Administrative Supervisor*

Anne Sblendorio, *Personnel Officer 2*

Inge E. Simmons, *Personnel Officer 1*

*Staff Assistants*

Yvette D. Levesque <i>Fiscal/Administrative Officer</i>	Michelle R. Provost <i>Fiscal/Administrative Officer</i>
Lisa T. Touchette <i>Fiscal/Administrative Officer</i>	Ventura Ramos <i>Fiscal/Administrative Assistant</i>
Carmen G. Calderon <i>Office Assistant</i>	Paul P. Boccaccio, Jr. <i>Mail Handler</i>
	Eustacia G. Williams <i>Telephone Operator</i>
Sallie M. Miller <i>Clerk</i>	Ismael Marrero <i>Messenger &amp; Supply Clerk</i>

**Management Information Systems**

George T. Roman, *Agency Data Processing Manager 1*  
*Banking Principal Examiner (General)*

Clayton L. Parker  
*Data Processing Applications Systems Analyst 2*

James Black, Jr.                      Joseph E. Kapinos  
*Office Automation Systems Specialist*

Rhonda L. Sousa

**BANK AND CREDIT UNION REGULATION**

Joseph A. Pandiscia, *Banking Administrator of Depository Institutions*

**BANK EXAMINATION DIVISION**

Howard F. Pitkin, Jr., *Director*

Glenn W. Hayes, *Assistant Director*

Thomas J. Catania, *Assistant Director*  
*Banking Supervising Examiner*

Robert S. Greenwood    Sebastian F. Scarfe    Thomas E. DiMaio  
*Banking Principal Examiner (General)*

Lewis S. Clark	Alfred G. Reutter	Raymond J. Milot
Andrew J. Paczkowski	Joseph M. Harris	Vernelle J. Davis
John A. Beaty	Malcolm G. Campbell, Jr.	David L. O'Brien
Joyce A. O'Sullivan	Phyllis S. England-Lewis	Donald F. Dooling
Deborah A. Sementa	Randolph J. Connolly, Jr.	Mary E. O'Neill

*Banking Associate Examiner (General)*

Terralyn D. Cooper	Janis A. Bureau	Doreen A. DiMaio
Ann M. Pedevillano	Cora Keating	Cheryl M. Schweighoffer
	Janice A. Yiznitsky	

*Banking Examiner (General)*

Frances S. Morocco	Richard Cortes	Debora L. Lein
Nathaniel J. Hirsh	Mark T. Gray	Cheney R. Eng Tow
Gregory C. Woodbury	Cathleen P. Carey	Cynthia N. DeRosa
	Thomas J. Virga	

*Accountant*

Paul Ligas

*Connecticut Careers Trainee*

Denise M. McGovern

*Accounting Careers Trainee*

Dino P. Iavecchia	Bernadette G. Corneau	SeYoung K. Joo
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**Consumer Information**Barry A. Elliott, *Banking Principal Examiner (General)*Mary C. Divigard, *Banking Examiner**Staff Assistants*

Maria L. O'Toole

*Administrative Assistant*

Saroja N. Setty	Ana M. Ruiz	Roger C. Rheahme
<i>Secretary 2</i>	<i>Secretary 1</i>	<i>Office Assistant</i>

**CREDIT UNION DIVISION**Chester E. Uliasz, *Director*Thomas J. Zaleski, *Assistant Director**Banking Principal Examiner (General)*

Patricia A. Budnick	Adeline P. Costa
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*Banking Associate Examiner (General)*

Jeffrey F. Hackett	Rita R. Redler	Paul D. Lombardo
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*Banking Examiner*

Moses O. Olasanoye	Joseph A. Bajorski	Edward J. Kenefick
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*Accounting Careers Trainee*

Eric B. Offei-Addo

*Pre-Professional Trainee*

Angela M. DiDomizio

*Staff Assistants*

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<i>Secretary 1</i>	<i>Clerk</i>	<i>Clerk</i>

**SECURITIES AND BUSINESS INVESTMENTS DIVISION**Ralph A. Lambiase, *Director*Eric J. Wilder, *Assistant Director*Cynthia E. Antanaitis, *Assistant Director**Banking Supervising Examiner*

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*Banking Principal Examiner*

Margot T. O'Grady

John P. Walsh

William E. Olesky

*Banking Associate Examiner*

Maryellen R. Meara

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Kevin R. Maher

Sylvia A. Morgan

Jeffrey S. Goodson

Salvatore Cannata

Paola Z. Barry

*Banking Examiner*

Naomi C. Church

Lisa Barone

Jean M. Foto

John A. Horne

Cesar H. Garcia

David M. Jankoski

*Accounting Careers Trainee*

Patrick P. Gauthier

Anne O. Purcell

Klemes M. Klementon

*Staff Assistants*

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Virginia A. Wagner

Helen C. Crane

*Unit Supervisor**Secretary 1**Secretary 1*

Olympia M. Thompson

June R. Christensen

Judith A. Mercier

*Office Assistant**Office Assistant**Office Assistant*

Sharada Kanive

Alice F. Miller

*Clerk Typist**Clerk Typist***CONSUMER CREDIT DIVISION**Robert C. Focht, *Director*William Nahas, Jr., *Assistant Director**Banking Associate Examiner*

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Jeffrey W. Hubbell

Marlene A. Mannix

*Banking Examiner*

Anne E. Sponzo

*Accounting Careers Trainee*

Carmine T. Costa

*Staff Assistants*

Larisa L. Hull

*Administrative Assistant*

Olive R. Mihm

Maria C. Burgos

*Clerk Typist**Clerk Typist*