

**In the Matter of LEEB INVESTMENT ADVISORS, PF FUNDS GROUP, INC., KCI COMMUNICATIONS, INC., ALLIE P. ASH, STEPHEN L. LEEB and MARIANNE PARRISH, Respondents**

**Admin. Proc. File No. 3-8682**

**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933, Release No. 7255;  
SECURITIES EXCHANGE ACT OF 1934, Release No. 36712;  
INVESTMENT COMPANY ACT OF 1940, Release No. 21671;  
INVESTMENT ADVISORS ACT OF 1940, Release No. 1545**

**January 16, 1996**

**TEXT:**

**ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS, AND CEASE AND DESIST ORDER**

**I.**

Leeb Investment Advisors (the "ADVISER"), P.F. Funds Group, Inc. (the "FUNDS GROUP"), KCI Communications, Inc. ("KCI"), Allie P. Ash ("ASH"), Stephen L. Leeb ("LEEB") and Marianne Parrish ("PARRISH") (collectively, the "RESPONDENTS") have each submitted an Offer of Settlement (the "Offers") for the purpose of disposing of the issues raised by these proceedings. n1 Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, prior to a hearing pursuant to the Commission's Rules of Practice, 17 C.F.R. § 201.1 et seq., and without admitting or denying the matters set forth herein, except as to jurisdiction over them and over the subject matter of these proceedings, RESPONDENTS consent to the issuance of this Order Making Findings and Imposing Remedial Sanctions, and Cease and Desist Order (the "Order").

The Commission has determined that it is appropriate and in the public interest to accept RESPONDENTS' Offers and accordingly is issuing this Order.

**II.**

Based on the foregoing, the Commission makes the following findings:

**A. Respondents**

The ADVISER is an investment adviser registered with the Commission pursuant to the Investment Advisers Act of 1940 (the "Advisers Act") and was established in 1991 specifically to advise the Leeb Personal Finance Fund (the "FUND"). ASH owns 51% and LEEB owns 49% of the ADVISER through various entities respectively owned by them.

The FUNDS GROUP performs marketing and other services for the FUND, with the exception of portfolio management. The FUNDS GROUP owns 51% of the ADVISER and is one of the ADVISER's two general partners. The FUNDS GROUP is wholly owned by National Information Corporation ("NIC").

KCI publishes several investment newsletters, including two edited by LEEB, The Big Picture and Personal Finance. KCI is wholly owned by NIC.

ASH together with his spouse, wholly owns a holding company that in turn owns 93% of NIC. Through his ownership interest in NIC and as Chief Executive Officer of KCI, ASH operated KCI's publishing business from at least 1987 until the Fall of 1992. ASH, through his ownership interest in NIC, controls the FUNDS GROUP and serves as its President. Through the FUNDS GROUP and as an officer and director of the ADVISER, ASH managed certain operations of the FUND. ASH is also Chairman of the Board of the FUND.

LEEB is the editor of The Big Picture and Persona Finance. LEEB and his wife own, and LEEB is the president of, Money Growth Institute ("MONEY GROWTH"), a registered investment adviser. MONEY GROWTH is a general partner and 49% owner of the ADVISER. LEEB is the President and Chief Investment Officer of the ADVISER, President of the FUND, and has been the portfolio manager of the FUND since its inception.

PARRISH was the marketing manager for the FUNDS GROUP from May 1992 to 1994.

## **B. Other Relevant Persons and Entities**

The FUND is the sole series of the Leeb Personal Finance Investment Trust, an investment company registered with the Commission pursuant to the Investment Company Act of 1940 (the "Company Act"). The FUND was established in 1991 and commenced the public offering of its shares on October 21, 1991.

## **C. The Nature of the Action**

This matter involves a strategy for marketing investments in the FUND, used from the inception of the FUND until at least September 1993, that defrauded or operated as a fraud on actual and potential FUND investors. As part of this marketing strategy, KCI disseminated false and misleading statements relating to the nature and performance of the "Master Key," a market-timing model that was developed by LEEB and was one of the regular features in The Big Picture. These statements were made in the context of advertisements for The Big Picture. As a further part of this marketing strategy, the FUNDS GROUP solicited investments in the FUND from many of the same individuals who had received the false and misleading advertisements concerning the "Master Key," including subscribers to The Big Picture and Personal Finance. In this connection, KCI provided its newsletter subscription lists to the FUNDS GROUP free of charge. The FUND advertisements were at times styled as personal letters from LEEB to newsletter subscribers and prominently featured LEEB's name and his affiliation with The Big Picture. Certain FUND advertisements misrepresented the true nature of the FUND's investment strategies and falsely implied that the investment results touted in the newsletter advertisements would be achieved by the FUND.

### **1. Advertisements Concerning the "Master Key"**

In January 1990, LEEB sold Indicator Digest, an investment newsletter that he published and edited, to KCI. At or about the same time, LEEB entered into contracts with KCI pursuant to which he agreed to serve as the editor of both Indicator Digest and Personal Finance. In 1991 KCI changed the name of Indicator Digest to The Big Picture.

Beginning in or about October 1991, KCI began distributing the advertisements to promote The Big Picture that contained the false and misleading statements about the "Master Key." The "Master Key" analyzes a variety of historical market data in an effort to predict the direction and strength of market movements in the short-term. During all times relevant, the "buy" and "sell" signals generated by the "Master Key" were published in The Big Picture and updated in weekly telephone hotline messages. Certain advertisements falsely claimed that an investor -- using LEEB's "Master Key" -- could have turned an investment of \$ 10,000 made in 1980 into \$ 39,160,394 by 1992. The advertisements also falsely represented the dates on which the "Master Key" actually generated strong "buy" signals during the relevant period.

In fact, an investor could not have used LEEB's "Master Key" signals as contemporaneously recorded in the weekly telephone hotline messages and published in The Big Picture to achieve the returns reported in the advertisements. LEEB's "Master Key" has not remained the same since its inception, but rather, LEEB has constantly adjusted and revised the "Master Key" to account for new market data. The claimed "earnings" were not actual results, but simulated results that could only be obtained, if at all, by retroactively applying the then-current, updated version of LEEB's "Master Key." In addition, the representations that an investor could turn a \$ 10,000 investment made in 1980 into tens of millions by the 1990's depended on using trading strategies that were not available as early as 1980. The newsletter advertisements failed to adequately disclose these facts concerning the nature and performance of the "Master Key."

The advertisements described above that were used to promote The Big Picture included photographs of LEEB and his signature. The contracts between LEEB and KCI provided that LEEB would work with KCI's marketing department to finalize promotional packages for both newsletters. In practice, KCI assumed responsibility for publication of the advertisements for the newsletters. Leeb failed to adequately review the advertisements or to take adequate steps to ensure the accuracy of the statements contained therein.

ASH caused the false and misleading newsletter advertisements to be disseminated. ASH controls KCI, and was KCI's Chief Executive Officer for much of the period during which KCI disseminated these advertisements. ASH received copies of the advertisements throughout the relevant period. ASH knew or recklessly disregarded the fact that the newsletter advertisements were false and misleading.

## **2. Advertisements for the FUND**

The FUND advertisements sent directly to The Big Picture and Personal Finance subscribers prominently featured LEEB and his affiliation with the newsletters and the FUND. The FUNDS GROUP targeted its sales efforts at subscribers to KCI publications many of whom also had been sent the false and misleading newsletter advertisements concerning the "Master Key." In fact, a significant number of the FUND's shareholders during the relevant period were subscribers to one of the KCI investment newsletters edited by LEEB.

The FUNDS GROUP solicited subscribers to purchase shares in the FUND by falsely implying that the results touted in the newsletter advertisements would be obtained by the FUND and falsely suggesting in FUND advertisements that the FUND would use the "Master Key" in making FUND investments.

One FUND advertisement falsely stated that LEEB makes use of the "Master Key" in making investment decisions for the FUND. The advertisement references The Big Picture nine times, is in the form of a letter to subscribers to The Big Picture signed by LEEB and is addressed "Dear Subscriber." The advertisement states:

I guide the fund's trading by analyzing the many indicators and economic models I have developed over the years (such as The Big Picture's market timing program, The Master Key). Each individual holding is then scrutinized daily and compared to the indicator readings. You get to relax while I work feverishly to try to protect your investment from market downswings and strive to get the jump on profitable surges as I continuously monitor the "heartbeat of the market."

Other FUND advertisements implied that investing in the FUND was the equivalent of following the investment strategies featured in The Big Picture, one of which was the "Master Key." One FUND advertisement, in the form of a letter signed by LEEB, states:

If you trust me and my investment judgment -- and I certainly believe you do or you would not have subscribed to The Big Picture in the first place --then I've got a simple question for you . . .

Why not do the easy thing?

Instead of studying and struggling to make dozens of stock trades on your own, even using my investment philosophy . . . why not simply invest in the Leeb Personal Finance Fund and you'll not only be buying into my investment philosophy, but I'll do all the work for you?

In fact, the FUND could not and did not follow The Big Picture's highly touted "Master Key." The FUND has established long-term conservative investment objectives and policies; in contrast, the investment recommendations generated by the "Master Key" are aggressive and short-term. Use of the "Master Key" thus would violate the stated investment objectives and policies of the FUND.

The FUNDS GROUP, a general partner to the ADVISER, developed and was responsible for the FUND's marketing program. The marketing program used both the misleading FUND advertisements and the false statements regarding the "Master Key" contained in the newsletter advertisements to fraudulently induce actual and potential investors to purchase FUND shares.

ASH, as President of the FUNDS GROUP, was responsible for FUND marketing throughout the relevant period and either directed or supervised the distribution of FUND advertisements to subscribers of KCI's newsletters. ASH himself wrote certain of the advertisements for the FUND and received copies of all the others. The advertisements for the FUND were created and distributed under ASH's direction or supervision, including those advertisements specifically directed to subscribers to The Big Picture. ASH knew or recklessly disregarded the fact that the FUND's marketing and advertising practices defrauded or operated as a fraud upon actual or potential FUND investors.

PARRISH became marketing manager for the FUNDS GROUP in May 1992 and participated in the FUND's marketing from May 1992 until 1994. PARRISH was involved in the preparation, review and distribution of all FUND advertisements and marketing materials during this period, including those advertisements specifically directed to subscribers to The Big Picture. PARRISH failed to take adequate steps to ensure that the FUND's advertisements were accurate and that the marketing practices for the FUND did not otherwise mislead actual and potential FUND investors.

LEEB, as President of the ADVISER and portfolio manager of the FUND was provided copies of all FUND advertisements for his review prior to distribution. LEEB failed to take adequate steps to ensure that the FUND's advertisements were accurate and that the marketing practices for the FUND did not otherwise mislead actual and potential FUND investors.

### **III.**

#### **LEGAL ANALYSIS**

##### **A. Applicable Law**

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit the use of manipulative and deceptive practices in connection with the purchase or sale of securities. Section 17(a) of the Securities Act prohibits similar conduct in the offer or sale of securities. Section 17(a)(2) of the Securities Act, prohibits the obtaining of money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. A violation of Section 17(a)(2) can be established without a showing of scienter or intentional wrongdoing. *Aaron v. SEC*, 446 U.S. 680, 100 S.Ct. 1945, 64 L.Ed.2d 611 (1980).

Section 34(b) of the Company Act prohibits any person from making any untrue statement of material fact or from omitting to state facts necessary in order to prevent statements from being materially misleading in certain registered investment company documents, including advertisements.

## **B. Violations by the FUNDS GROUP**

As set forth above, the FUNDS GROUP was responsible for the FUND's marketing program, which involved: (1) targeting individuals who had received the newsletter advertisements containing false and misleading statements about the "Master Key" and (2) the dissemination of false and misleading advertisements for the FUND. This marketing strategy defrauded or operated as a fraud upon purchasers and potential purchasers of FUND shares in violation of the antifraud provisions. Accordingly, the FUNDS GROUP violated Section 10(b) and Rule 10b-5 of the Exchange Act and Section 17(a) of the Securities Act.

The FUNDS GROUP was also directly responsible for creating and distributing the advertisements for the FUND. The FUND advertisement that contained the statement indicating that the "Master Key" was used in making investment decisions for the FUND was materially false and misleading. Accordingly, the FUND advertisement that expressly referred to the "Master Key" violated Section 34(b) of the Company Act.

## **C. Violations by KCI and ASH**

ASH knew or recklessly disregarded the fact that the FUND's marketing and advertising practices defrauded or operated as a fraud upon actual and potential FUND investors. ASH was responsible for developing and implementing the FUND's marketing program. KCI, under ASH's management, knowingly or recklessly created and distributed the advertisements for The Big Picture that contained the false and misleading statements about the "Master Key," and provided its subscription lists to the FUNDS GROUP so that it could solicit investments in the FUND from the same individuals who had received those false and misleading statements. ASH, as President of the FUNDS GROUP, also either directed or supervised the creation and distribution of FUND advertisements to subscribers of KCI's newsletters. Accordingly, ASH and KCI aided and abetted and were a cause of the FUNDS GROUP's violations of Section 10(b) and Rule 10b-5 of the Exchange Act and Section 17(a) of the Securities Act. ASH, based on his knowledge, responsibility and control over the advertisements for the FUND, also aided and abetted and was a cause of the FUNDS GROUP's violation of Section 34(b) of the Company Act.

## **D. Violations by LEEB and the ADVISER**

LEEB and the ADVISER failed to take adequate steps to ensure that the FUND's advertisements were accurate and that the marketing practices for the FUND did not otherwise mislead actual and potential FUND investors. LEEB was aware that the FUND was being marketed to subscribers to his newsletters. Nonetheless, LEEB failed to adequately review such advertisements or to take other appropriate action to prevent the false and misleading statements, made in the context of the newsletter advertisements, from being disseminated to actual and potential FUND investors pursuant to the marketing strategy. Further, LEEB, as President of the ADVISER and portfolio manager of the FUND, was provided copies of all FUND advertisements for his review prior to distribution. Although LEEB and the ADVISER had the obligation to review the FUND advertisements, they failed to adequately review such advertisements or to take other appropriate action to prevent false and misleading statements from being disseminated to actual and potential FUND investors. Accordingly, LEEB and the ADVISER aided and abetted and were a cause of the FUNDS GROUP's violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act.

## **E. Violations by PARRISH**

PARRISH failed to take adequate steps to ensure that the FUND's advertising and marketing practices did not mislead actual and potential FUND investors. PARRISH participated in the FUND's marketing from May 1992 until 1994 and knew that the FUND was being marketed to subscribers of the newsletters edited by LEEB. PARRISH participated in the marketing process and reviewed and distributed all FUND advertisements and marketing material during the relevant period. Although Parrish shared responsibility for the FUND's marketing and advertising, she failed to adequately review the FUND advertisements or to take other appropriate action to prevent the false and misleading advertisements from being disseminated to actual and potential FUND investors pursuant to the marketing strategy. Accordingly, PARRISH aided and abetted and was a cause of the FUNDS GROUP's violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act.

## **IV.**

### **FINDINGS**

Based on the above, the Commission finds that it has jurisdiction with respect to the matters set forth herein; and that:

- (i) the FUNDS GROUP willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act and Section 34(b) of the Company Act;
- (ii) the ADVISER willfully aided and abetted violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act, and was a cause, due to acts or omissions it knew or should have known would contribute to such violations, of violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act;
- (iii) KCI willfully aided and abetted violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act and was a cause, due to acts or omissions that it knew or should have known would contribute to such violations, of violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act;
- (iv) ASH willfully aided and abetted violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act and Section 34(b) of the Company Act and was a cause, due to acts or omissions that he knew or should have known would contribute to such violations, of violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act and Section 34(b) of the Company Act;
- (v) LEEB willfully aided and abetted violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act and was a cause, due to acts or omissions he knew or should have known would contribute to such violations, of violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act; and
- (vi) PARRISH willfully aided and abetted violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act and was a cause, due to acts or omissions she knew or should have known would contribute to such violations, of violations of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act.

## **V.**

### **ORDER**

Accordingly, IT IS HEREBY ORDERED that,

1. The FUNDS GROUP:

- a. Be, and hereby is, censured;
- b. Pay a civil money penalty of \$ 60,000 pursuant to Section 9(d) of the Company Act and Section 203(i) of the Advisers Act;
- c. Cease and desist from committing or causing any violation of, and committing or causing any future violation of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act and Section 34(b) of the Company Act; and
- d. Shall make payment of the penalty within thirty (30) days of the entry of the Order by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall transmit such payment by certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange Commission, Mail Stop 2-5, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission.

2. The ADVISER:

- a. Be, and hereby is, censured;
- b. Pay a civil money penalty of \$ 60,000 pursuant to Section 9(d) of the Company Act and Section 203(i) of the Advisers Act;
- c. Cease and desist from committing or causing any violation of, and committing or causing any future violation of, Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act;
- d. Shall make payment of the penalty within thirty (30) days of the entry of the Order by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall transmit such payment by certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange Commission, Mail Stop 2-5, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission; and
- e. The ADVISER or any replacement adviser to the FUND that is controlled by any of the RESPONDENTS shall comply with the following undertakings:
  - (1) Shall retain or otherwise designate, within thirty (30) days of the entry of this Order, a person to serve as a special consultant, who is not unacceptable to the staff of the Commission, to review and to make recommendations concerning the policies and procedures regarding FUND advertising. Such review and recommendations shall be designed to prevent and detect violations of the federal securities laws, in particular those which are the basis of these administrative proceedings. The ADVISER shall require the special consultant to make his recommendations in the form of a report, within sixty (60) days of the date of entry of this Order, copies of which the ADVISER shall provide to the members of the Board of Trustees of the FUND no later than fifteen (15) days from the date the report is issued. The Commission's staff shall grant an extension of these deadlines upon a showing of good cause for whatever time period its deems appropriate. The ADVISER shall take all necessary and appropriate steps to

adopt, implement and maintain all recommendations made by the special consultant, provided that the special consultant shall consult with the ADVISER and that as to any recommendation that the ADVISER determines is, in whole or in part, unduly burdensome, the ADVISER may request that it use an alternative procedure designed to achieve the same objective or purpose as the recommendation of the special consultant and the special consultant shall not unreasonably withhold its consent to such request. In such cases where the ADVISER seeks to use to an alternative procedure, the proposed alternative procedure shall be subject to review and approval by the Board of Trustees of the FUND.

(2) A compilation of the policies and procedures adopted pursuant to subparagraph (1) above shall be provided to the members of the Board of Trustees of the FUND and distributed or made available to all persons involved in the preparation or review of marketing materials or otherwise involved in any marketing activities for the FUND.

(3) For a period of two (2) years from the entry of this Order, the ADVISER shall require the special consultant to review all FUND advertisements and other FUND sales literature prior to publication and/or distribution to ensure that such materials comply with the federal securities laws, and when appropriate, make recommendations to ensure such compliance. The ADVISER shall ensure that such consultant's recommendations or reasonable alternatives acceptable to the special consultant are adopted and implemented with respect to such advertisements and other sales literature.

(4) Shall require the special consultant to inform the Commission's staff of any instances in which any of his recommendations pertaining to the FUND advertisements and other FUND sales literature or reasonable alternatives to them have not been adopted or implemented. Such information shall be transmitted in writing and promptly after the discovery of the same. For a period of two (2) years from the entry of this Order, on an annual basis commencing on the date of the first anniversary of the entry of this Order, the ADVISER shall further require the special consultant to provide to the Commission's staff a written certification that he has reviewed all of the FUND advertisements and other FUND sales literature, as required by subparagraph (3), and that all such materials published or distributed during the review period comply with the federal securities laws.

(5) The compensation for and expenses incurred in connection with services to be performed by the special consultant shall be borne by the ADVISER (not the FUND).

### 3. KCI:

- a. Be, and hereby is, censured;
- b. Pay a civil money penalty of \$ 60,000 pursuant to Section 9(d) of the Company Act;
- c. Cease and desist from committing or causing any violation of, and committing or causing any future violation of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act; and
- d. Shall make payment of the penalty within thirty (30) days of the entry of the Order by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall transmit such payment by certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange Commission, Mail Stop 2-5, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy



of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission.

4. ASH:

- a. Be, and hereby is, censured;
- b. Pay a civil money penalty of \$ 60,000 pursuant to Section 9(d) of the Company Act and Section 203(i) of the Advisers Act;
- c. Cease and desist from committing or causing any violation of, and committing or causing any future violation of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act and Section 34(b) of the Company Act; and
- d. Shall make payment of the penalty within thirty (30) days of the entry of the Order by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall transmit such payment by certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange Commission, Mail Stop 2-5, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission.

5. LEEB:

- a. Be, and hereby is, censured;
- b. Pay a civil money penalty of \$ 60,000 pursuant to Section 9(d) of the Company Act and Section 203(i) of the Advisers Act;
- c. Cease and desist from committing or causing any violation, or any future violation, of Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act; and
- d. Shall make payment of the penalty within thirty (30) days of the entry of the Order by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall transmit such payment by certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange Commission, Mail Stop 2-5, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission.

6. PARRISH:

- a. Be, and hereby is, censured; and
- b. Cease and desist from committing or causing any violation of, and committing or causing any future violation of, Section 17(a)(2) of the Securities Act and Section 34(b) of the Company Act.

By the Commission.

**Footnote**

n1 An Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 9(b) and 9(f) of the Investment Company Act of 1940, and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 was issued by the Commission on May 2, 1995.