

Litigation Release No. 14994 / July 30, 1996

Securities and Exchange Commission v. Richard J. Line
(E.D. Pa., Civil Action No. 96-5319)

The Securities and Exchange Commission ("Commission") announces the filing of a Complaint against Richard J. Line ("Line"), a registered representative formerly associated with Copeland Equities, Inc.

The Complaint alleges that between August 1991 through February 1995, Line engaged in a scheme to defraud brokerage customers by misappropriating approximately \$1.7 million. Line accomplished this by using a college financial aid planning business as a vehicle to fraudulently procure investments and misappropriate investor funds. Line promised parents of college-bound students that by transferring assets to him they would be able to securities increased financial aid for their children. Line told investors that he would invest these transferred assets in securities. Instead, Line misappropriated these funds by converting them to personal use.

The Complaint charges Line with violating Section 17(a) of the Securities Act of 1933 and Sections 10(b), 15(a)(1) and 15(c) of the Securities Exchange Act of 1934 and Rules 10b-5 and 15c1-2, thereunder. The Complaint seeks permanent injunctive relief. Simultaneously with the filing of the Commission's Complaint, Line consented, without admitting or denying the allegations contained the Complaint, to the entry of an order permanently enjoining him from future violations of the charged provisions.