

was also licensed to operate in the United States out of Chicago. Furthermore, Wiley and his agent failed to inform investors that they received 10% commissions for selling the CTB CDs, that CTB was not an actual bank legally licensed by the Grenadian government, the United States government or the state of Illinois, and that substantially all CTB activities were performed by Randy out of his offices in Illinois. Wiley and his agent sold at least \$1.5 million worth of the CTB CDs to at least 25 investors.

Litigation Release No. 14557 / July 12, 1995

UNITED STATES OF AMERICA V. JAMES A. MERRIAM, ET AL., Criminal Action No. CR-95-0245 FMS (N.D. Cal.)

The United States Attorney for the Northern District of California and the Securities and Exchange Commission announced that on July 5, 1995, the Grand Jury indicted James A. Merriam, Harold B. Hayes and William R. Sheppard on one count of conspiracy to commit securities fraud (15 U.S.C. §§ 78j(b), 78m and 78ff and 17 C.F.R. § 240.10b-5); and wire fraud (18 U.S.C. § 1343); and one substantive count of wire fraud (18 U.S.C. § 1943). In addition, Hayes was indicted on ten counts of securities fraud [18 U.S.C. §§ 78j(b) and 78ff and 17 C.F.R. § 240.10b-5.

The Indictment alleges that from March, 1990 through August 6, 1990, James A. Merriam and the others manipulated the stock price of Vintage Group, Inc. The company, whose general purpose was to invest in new and developing companies offering long-term growth potential, issued financial statements that substantially overstated the fair value of Vintage's securities portfolio. These false and misleading financial statements were included in the reports on Forms 10-Q and Forms 10-K that Vintage filed with the Commission.

Litigation Release No. 14558 / July 12, 1995
Accounting and Auditing Enforcement Release No. 686

SECURITIES AND EXCHANGE COMMISSION v. BARRY R. BENJAMIN AND STEVE ZULOFF, Civil Action No. 95-4564 TJH (Ex) (C.D. Cal.)

The Securities and Exchange Commission ("Commission") announced the filing of a complaint on July 11, 1995, in the U.S. District Court for the Central District of California against Barry R. Benjamin ("Benjamin"), formerly the President, Chief Operating Officer, Chief Financial Officer and Treasurer of With Design In Mind International, Inc., ("Design Int'l"), a publicly-held company located in Chatsworth, California, and Steve Zuloff ("Zuloff"), formerly the Chairman of the Board and the Chief Executive Officer of Design Int'l. Design Int'l is now known as Janex International, Inc.

The Commission's Complaint alleges that from 1988 through at least March 1992, Benjamin and Zuloff misappropriated \$1,343,014 from With Design In Mind ("WDIM"), the subsidiary through which Design Int'l conducted its business. The Complaint further