

- (2) In the event a continuing resolution is enacted, the fee rate will continue at its current rate of 1/33rd of one percent of the aggregate offering amount.
- (3) In the unlikely event that neither a fiscal 1998 appropriations bill nor a continuing resolution is enacted, the fee rate will go to 1/50th of one percent of the aggregate offering amount.

Filers and registrants are responsible for paying the correct fee. Although they have the option of paying a lower amount if neither an appropriations bill nor a continuing resolution is enacted, please be advised that under similar budget uncertainties in past years, filers who paid a lower fee rate later were required by Congress to pay an additional amount equal to the difference between the amount paid and amount required at the higher fee rate.

The Commission will issue further notices as appropriate to keep filers and registrants informed of developments affecting the Section 6(b) fee rate. This information will be posted at the SEC's internet address: <<http://www.sec.gov>>. In the interim, filers and registrants should contact the Office of Filings and Information Services, Filer Support Unit at (202) 942-8900, if they have any questions. (Press Rel. 97-80)

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE LAW JUDGE BARS MATT MATSON FROM PARTICIPATING IN THE OFFERING OF ANY PENNY STOCK

Administrative Law Judge Lillian A. McEwen has issued an initial decision barring Matt Matson (Matson) from participating in the offering of any penny stock. After a hearing, Judge McEwen found that on September 10, 1996, a final judgment of permanent injunction was entered in the United States District Court for the Southern District of Florida, by consent, against Matson in connection with his participation in a penny stock offering. From at least October 1995 until, at least, July 1996, Matson was the chief executive officer and sole director of Home Link Corporation, Home Link of Florida, Inc., and Home Link of Nevada, Inc. (collectively, Home Link). During this time, in connection with the offer and sale of Home Link penny stock, Matson violated the registration and antifraud provisions of the federal securities laws by making material misrepresentations to investors concerning, among other things, Home Link's net assets, the existence of audited financial statements, the existence of licensing revenues, the ability of Home Link stock to be listed on the National Association of Securities Dealers Automated Quotation system, and Matson's background. (Initial Decision No. 117)

IN THE MATTER OF DAVID CARMICHAEL, ET AL.

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions (Order) against David M. Carmichael (Carmichael), Anthony Kohl (Kohl) and Christopher Adams (Adams). The Commission accepted Carmichael, Kohl and Adams' Offers of Settlement in which they consented to the issuance of the Order without admitting or denying the Commission's findings.

The Order finds that from September 1989 through October 1992, Carmichael and Kohl participated in scheme involving the manipulation of the price of McCoy Avionics, Inc. (McCoy) and Dewey's Candy Company (Dewey's) common stock. According to the Order, while employed at Dublin Securities, Inc. (Dublin) in Worthington, Ohio, Carmichael and Kohl arranged the sale of McCoy and Dewey's units, which consisted of one share of common stock with four and five attached warrants, respectively, from the issuers to "insiders," including Carmichael and Kohl. The Order states that after the insider sales, Dublin purchased the units from the insiders at a price of \$1 per share of common stock and approximately \$0.05 to \$0.30 per warrant. According to the Order, Dublin guaranteed the insiders a 75% return on their investment in the units. The Order finds that after acquiring a surplus of McCoy and Dewey's stock, Dublin set the initial price of McCoy and Dewey's common stock at the arbitrary and artificially high level of approximately \$3 per share. The Order thereafter states that Dublin, through its sales force, then used high pressure sales techniques to sell McCoy and Dewey's common stock to the public. According to the Order, Carmichael and Kohl also caused Dublin to use its customers' free credit balances and failed to cause Dublin to maintain a special reserve account for the benefit of Dublin customers. As a result of this conduct, the Commission's Order finds that Carmichael and Kohl willfully violated Sections 5(a), 5(c) and 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 promulgated thereunder, and aided and abetted Dublin's violations of Section 15(c)(3) of the Exchange Act and Rules 15c3-2 and 15c3-3 promulgated thereunder.

The Order also contains findings that from May 1991 through October 1992, Adams participated in a scheme to defraud Dewey's investors by purchasing Dewey's units from Dublin as an insider and later reselling those units to Dublin for sale to public investors at artificially inflated prices. The Order further states that Adams violated the antifraud provisions of the federal securities laws by making numerous misrepresentations and omissions of material facts in connection with the offer and sale of Dewey's stock to public investors. The Order also finds that Adams failed to disclose, among other things, the material fact that the price of Dewey's common stock was arbitrary and artificially set by Dublin and that it did not reflect the free forces of supply and demand. According to the Order, Adams also failed to disclose the existence of the control that Dublin Management, Inc., Dublin's parent company, exercised over Dublin and Dewey's and the existence of Dublin's

