

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Litigation Release 15557 / November 12, 1997

SECURITIES AND EXCHANGE COMMISSION V. JEROME C. PINCKNEY, RICHARD L. ARNOLD, DONALD E. ELDER, FERNANDO CRUZ, SHAUN K. R. MAXWELL, ANTHONY BUKOVICH AND SIX CAPITAL CORPORATION, Civil Action No. 7:95-CV-122-BR-1 (E.D.N.C.)

The Securities and Exchange Commission announced that on November 4, 1997, the Honorable W. Earl Britt, United States District Judge for the Eastern District of North Carolina, entered an order of permanent injunction enjoining defendants Six Capital Corporation ("Six Capital") and Anthony Bukovich ("Bukovich"), president and controlling shareholder of Six Capital, from further violations of Section 17(a) of the Securities Act of 1933 relating to prime bank fraud. The decision followed a trial which commenced on October 20, 1997.

The Commission's complaint, filed on August 23, 1995, alleged that Bukovich, Six Capital and others violated the antifraud statute by offering for sale investment contracts which were part of a prime bank scheme. The Commission alleged and the Court found that Bukovich and Six Capital attempted to obtain funds from investors in two different schemes by misrepresenting or failing to disclose material facts in connection with the offering of fraudulent, nonexistent prime bank securities. Among the misrepresentations made by Bukovich and Six Capital, the Court found that the defendants misrepresented to investors that the trading program involved trading in supposed "bank guarantees" issued by the top 15 banks in western Europe, that the investment in the bank guarantee program was a 'clean, neat, safe, legitimate transaction', and that they had sold prime bank instruments in the past. Bukovich and Six Capital, while investing nothing of their own, stood to receive 50% of the trading profits on each trade made. For more information, see L.R. 14600, L.R. 15231, L.R.15287, L.R. 15358.

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