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Settlement reached on underpaid royalties with Consolidation Coal

The Utah School and Institutional Trust Lands Administration reached a settlement with the Consolidation Coal Company over underpaid coal royalties worth more than $2.6 million.

The proceeds of the settlement will be divided between Utah's public schools and one-fourth of the money will go to the University of Utah's college of education.

The settlement announced Tuesday resolves a 12-year-old dispute over royalties paid for coal mined on trust lands near Price, Utah.

Trust Lands Administration spokesman Dave Hebertson said about half the settlement was for the disputed royalties, and the rest was interest on the unpaid royalties.

Hebertson said Consolidation Coal was waiting for a U.S. Supreme Court ruling in a similar case against the Trail Mountain Coal Company.

In February, the Supreme Court rejected the appeal by Trail Mountain, which had mined coal on trust lands in Emery County between 1979 and 1985.

By refusing to hear the case, the justices let stand a 1996 ruling by the Utah Supreme Court that Trail Mountain had underpaid the royalties.

The litigation over the underpaid royalties began in 1984 when state audits of companies mining coal on the trust lands in Carbon and Emery counties discovered the underpayment of royalties. The audits have recovered more than $25 million for the school fund.

There are 3.7 million acres of school trust lands statewide. The revenues from those lands benefit Utah's schools and other public institutions.

Utah securities agency joins nationwide crackdown on micro-cap telemarketers

As part of the nationwide crackdown on telemarketers offering micro-cap stock to small investors, the Utah Department of Commerce's division of securities announced May 29 that it has filed charges against L.T. Lawrence & Company of New York, two of its employees, Myers Pollock Robbins Inc. of New York and three of its employees alleging violation of the state's statutes.

Micro-cap is a term that applies to efforts of small companies to raise funds through stock offerings of a few million dollars, as opposed to the capitalization efforts of most large companies which can amount to amounts in excess of hundreds of millions of dollars.

The offerings are extremely risky and, in many cases, investors are not being fully informed of the volatility of the stock.

"This is an example of a growing trend in boiler room scams and investors need to be on guard," explained securities director Mark Griffin. "Using cold calling telephone techniques and scripts, these swin- chase stock in an unknown company that insiders sell when the price is driven high enough."

In the charges filed against L.T. Lawrence and brokers Victor Perri Jr. and Todd Roberti, the Division alleges that Perri and Roberti, in an effort to entice a Sandy resident to purchase stock, made untrue statements regarding the stocks being offered and engaged in fraud.

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The division is charging Myers Pollock Robbins and brokers John McEwan, Vincent Minerva and John Caso Jr. with making false and misleading representations. The division is asking the securities advisory board to assess fines of

$100,000 against each of the brokers.

The division alleges that in July 1996, McEwan made an uncolicited "cold-call" to a securities investigator to recommend that a purchase be made in a stock that was being represented as no risk.

A review of the prospectus for the company, Innovative Medical Services, showed that its stock was expected to lose more than 70 percent of its value over the short term.

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Last fall, the agencies' umbrella organization, the North American Securities Administrators Association Inc. (NASAA), authorized a special

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The Sandy victim sustained losses of more than $37,000 in his dealings with L.T. Lawrence.

The division is asking the Utah Securities Advisory Board to revoke the licenses and assess fines against L.T. Lawrence totaling $250,000as well as $100,000 against Perri and Roberti.

The division is charging Myers Pollock Robbins and brokers John McEwan, Vincent Minerva and John Caso Jr. with making false and misleading representations. The division is asking the securities advisory board to assess fines of $100,000 against each of the brokers.

The division alleges that in July 1996, McEwan made an uncolicited "cold-call" to a securities investigator to recommend that a purchase be made in a stock that was being represented as no risk.

A review of the prospectus for the company, Innovative Medical Services, showed that its stock was expected to lose more than 70 percent of its value over the short term.

In addition, Meyers Pollock Robbins brokers Minerva and Casa on separate occasions contacted the same investigator and attempted to entice him into buying various stocks.

Utah's action is being taken as part of the first phase of a national campaign by state securities agencies against an enormous rise in fraudulent practices.

Last fall, the agencies' umbrella organization, the North American Securities Administrators Association Inc. (NASAA), authorized a special