



D. That these actions constituted violations of Rule 3-4.3 (misconduct and minor misconduct) of the Rules of Discipline, and Rules 4-14.1 [truthfulness in statement to others], 4-8.4(a) [A lawyer shall not violate a disciplinary rule.] and 4-8.4(c) [A lawyer shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation] of the Rules of Professional Conduct.

On September 19, 1990, the undersigned was duly appointed to act as referee by order of the Supreme Court of Florida. On December 14, 1990, The Florida Bar filed with this referee, a motion to limit the issues at trial. On January 7, 1991, the undersigned entered an order granting the Bar's motion, pursuant to Rule 3-4.6 of the Rules of Discipline, finding that the Respondent, Jerome L. Teppes, had violated the foregoing Rules of Discipline and Rules of Professional Conduct.

A final hearing concerning the issue of appropriate discipline was scheduled for April 2, 1991 and all parties appeared. Appearing at the final hearing on behalf of The Florida Bar, was Linda J. Amidon, Esq.. The Respondent, Jerome L. Teppes, Esq., appeared pro se. The Florida Bar presented evidence to support its position that the appropriate discipline in this case is disbarment. The Respondent in turn presented his mitigating evidence, and requested that the discipline be limited to a public reprimand.

II. FINDINGS OF FACT AS TO EACH ITEM OF MISCONDUCT OF WHICH RESPONDENT IS CHARGED

After considering all the pleadings and evidence before me, pertinent portions of which are commented upon below, I find as follows:

A. I hereby specifically adopt the final judgment of permanent injunction entered by the United States District Court for the Northern

District of Illinois, Eastern Division, on April 13, 1988, which was attached as Exhibit "A" to complainant's complaint, and which is attached hereto as Exhibit "A".

B. I hereby specifically adopt the Securities and Exchange Commission's final opinion and order of October 25, 1989, which was attached as Exhibit "B" to complainant's complaint, and which is attached hereto as Exhibit "B".

C. Respondent is, and at all times material to this action, was a member of The Florida Bar, subject to the jurisdiction and disciplinary rules of the Supreme Court of Florida.

D. On April 13, 1988, the Respondent was permanently enjoined by a Federal District Court for the Northern District of Illinois, for violation of aiding and abetting in violation of Sections 6(a) and 17(A) and Rule 463, promulgated under Section 19(A) of the Securities Act of 1933, Section 10(b) and 15(A) of the Securities Exchange Act of 1934, and other rules.

E. On July 13, 1988 the Securities and Exchange Commission instituted administrative proceedings against the Respondent for the securities fraud violations as set forth in paragraph (4) as stated above.

F. On October 25, 1989, pursuant to administrative proceedings and the Respondent's offer of settlement, the Securities Exchange Commission suspended the Respondent from the practice of law before the Commission for a period of five (5) years.

G. From at least January 1986 to 1988, Respondent Jerome L. Teppes participated in an ongoing securities fraud through the preparation of fraudulent Securities and Exchange Commission form S-18 registration

statements, which contained untrue statements of material facts, and omitted material facts, including, but not limited to, erroneous information regarding stockholders, issuers and investment funds.

H. From at least January of 1986 until April 1988, the Respondent filed Securities Exchange Commission form S-18 registration statements and amendments without authorized signatures, and in some instances, without the authority of the purported signatories, in an ongoing securities fraud.

I. By reason of the foregoing, Respondent has violated Rule 3-4.3 (misconduct and minor misconduct) of the Rules of Discipline, Rules 4-4.1 (truthfulness in statements to others) and 4-8.4(a) [A lawyer shall not violate a disciplinary rule.] and 4-8.4(c) [A lawyer shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation] of the Rules of Professional Conduct.

III. RECOMMENDATIONS AS TO WHETHER RESPONDENT SHOULD BE FOUND GUILTY OF MISCONDUCT JUSTIFYING DISCIPLINARY MEASURES

As to each count of the complaint, I make the following recommendations as to guilt or innocence:

As to Count I of the Complaint

I recommend that the respondent be found guilty and specifically that he be found guilty of the following violations of the Rules of Discipline and the Rules of Professional Conduct, to wit: Rule 3-4.3 (misconduct and minor misconduct) of the Rules of Discipline, Rules 4-4.1 (truthfulness in statement to others) and 4-8.4(a) [A lawyer shall not violate a disciplinary rule.] and 4-8.4(c) [A lawyer shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation] of the Rules of Professional Conduct.

As to Count II

I recommend that the respondent be found guilty and specifically that he be found guilty of the following violations of the Rules of Discipline and Professional Conduct, to wit: Rule 3-4.3 (misconduct and minor misconduct) of the Rules of Discipline, and Rules 4-4.1 (truthfulness in statements to others) and 4-8.4(a) [A lawyer shall not violate a disciplinary rule.] and 4-8.4(c) [A lawyer shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation] of the Rules of Professional Conduct.

IV. RECOMMENDATION AS TO DISCIPLINARY MEASURES TO BE APPLIED:

I recommend that the respondent be disbarred from the practice of law in Florida. The Respondent's fraudulent actions constitute a serious injustice to the investing public. The Florida Supreme Court has held that conviction of serious fraud involving large sums of money requires disbarment. The Florida Bar v. Isis, 552 So.2d 912 (Fla. 1989) This Court has also held that pleading guilty to securities fraud warrants disbarment. The Florida Bar v. Levine, 571 So.2d 420 (Fla. 1990). The Respondent here has committed serious fraud on the public as reflected by the action taken by the U.S. District Court in Illinois, and the Securities and Exchange Commission. Such misconduct by the Respondent warrants disbarment from the practice of law in Florida.

V. PERSONAL HISTORY AND PAST DISCIPLINARY RECORD:

After a finding of guilt, and prior to recommending the appropriate discipline to be recommended pursuant to Rule 3-7.6(k)(1)(4), I considered the following personal history and prior disciplinary record of the respondent, to wit:

Respondent is approximately 35 years of age and has been a member of The Florida Bar since October, 1979. Respondent was previously disciplined for his failure to properly supervise a non-lawyer employee in violation of Discipline Rule 3-104 of the Code of Professional Responsibility and Rule 4-5.3 of the Rules of Professional Conduct. Respondent received a private reprimand and one (1) year probation, beginning January 20, 1988. The Florida Bar v. Tepps, Florida Bar File No. 87-26,869(17C).

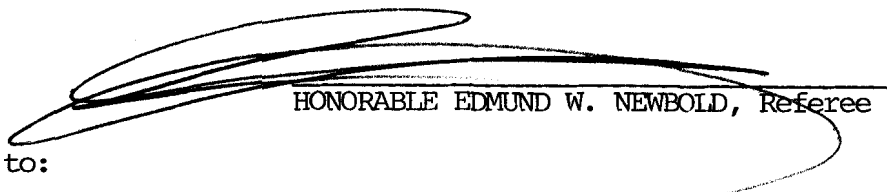
VI. STATEMENT OF COSTS AND MANNER IN WHICH COSTS SHOULD BE TAXED

I find the following costs were reasonably incurred by The Florida Bar:

|  |                 |
|--|-----------------|
| Administrative Costs (Rule 3-7.6(k) (1) (5)) | \$500.00        |
| Service of process                           | 47.38           |
| Witness Fees                                 | 60.00           |
| Court reporter costs                         | <u>2,182.04</u> |
| TOTAL ITEMIZED COSTS                         | \$2,789.42      |

It is apparent that other costs have or may be incurred. it is recommended that all such costs and expenses together with the foregoing itemized costs be charged to the respondent.

DATED THIS 24<sup>th</sup> day of May, 1991.

  
HONORABLE EDMUND W. NEWBOLD, Referee

Conformed Copies to:

The Florida Bar  
Jerome L. Tepps, Esq. ✓