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Still , if nothing else , a revoked brokerage license could be a burden because it must be disclosed in many of the transactions in which Drexel could be involved .

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Securities regulators praise Drexel for its energetic effort , led by government-approved general counsel Saul S. Cohen , to settle its legal problems with the states .

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But they disagree about the message these settlements give to the public .

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" There was a lot of internal debate about that specific issue , " said Susan Bryant , Oklahoma 's chief securities regulator and president of the North American Securities Administrators Association , which drafted a voluntary settlement plan for the states with Drexel .

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The question , she said , is whether Drexel should be allowed to pay and move on , or " whether you should (simply) revoke the license when someone is convicted of a felony . "

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While Ms. Bryant 's state went ahead and accepted Drexel 's settlement offer of \$ 25,000 , she said : " I do n't have any argument with those who came to different conclusions .

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" I can see both sides . "

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Similarly , Alfred Rubega , New Hampshire 's director of securities regulation , said his state had n't received any complaints about Drexel , so it really could n't press the issue .

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Still , " I understand the reasons " that other states are holding out , he said .

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Mr. Cohen , the Drexel general counsel , said , " I do n't think , as we say in investment banking , that ' by the end of the day ' we 'll be losing any licenses . "

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Mr. Cohen said more than \$ 2.8 million has been paid to 26 states and that Drexel still expects to pay out a total of \$ 11.5 million .

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By the end of this week , Drexel should have another three to four settlements , Mr. Cohen said .

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That total would be important for Drexel .

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The investment bank has previously announced that as part of its punishment it would create an independent foundation to promote ethical behavior in the securities industry .

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A proviso to that promise is that a minimum of 35 states reach settlement agreements before next Tuesday .

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There are , according to several securities commissioners , at least 16 states that are either close to settlements with Drexel or who do n't appear opposed to settling .

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Drexel 's proposed state fines have been based on a state 's population and on the size of Drexel 's business in the state .

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New Jersey , for example , was asked to accept \$ 300,000 , but refused .

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The state is n't ruling out revoking Drexel 's brokerage license .

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The state can also bar Drexel as an investment adviser .

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State officials wo n't describe their position in detail , but James McLelland Smith , state securities chief , said : " We really are still looking at it and have informed (Drexel) that the proposal is really not sufficient for settlement . "

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Connecticut already has issued a " notice of intent " to revoke Drexel 's brokerage license .

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It is one of the states that have met with Mr. Cohen and asked for additional information about investors ' accounts and other matters .

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