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Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON 6, D. C.

January 16, 1964

for file

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

H. P. Black & Co.
Washington, D. C.

The Securities and Exchange Commission revoked the broker/dealer registration of H. P. Black & Co., Washington, D. C., on November 22, 1963 (see SEC Release #7174), for willful violations of Sections 15(c)(3) and 17(a) of the Exchange Act and Rules 15c3-1 and 17a-3 thereunder.

Pursuant to an offer of settlement, application for review of disciplinary action taken by the Association was withdrawn on January 8, 1964, by H. P. Black & Co. and Harold P. Black, individually. Therefore, the Decision of the Board of Governors dated November 20, 1962 became final wherein H. P. Black & Co. was expelled from membership in the Association for violations of Sections 1, 4, 21 and 27 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, sold securities to customers at prices which were not fair and not reasonably related to the current market, failed to maintain and keep current proper books and records and failed to evidence written approval of registered representatives' transactions. Harold P. Black was named a cause of the expulsion.

Great States Investment Brokers, Inc.
Springfield, Illinois

District Business Conduct Committee for District #8 expelled Great States Investment Brokers, Springfield, Illinois, from membership in the Association and fined it \$1,000 on January 1, 1964, for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member violated the SEC Net Capital Rule and failed to maintain and keep current proper books and records. Lowell Warren Franklin and Fred William Sueltnan were found to be causes of the expulsion.



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D. L. Greenbaum & Company
Philadelphia, Pennsylvania

The Securities and Exchange Commission revoked the broker/dealer registration of Donald Lewis Greenbaum, dba D. L. Greenbaum & Company, Philadelphia, Pennsylvania, and expelled it from membership in the Association on January 8, 1964 (see SEC Release #7209), for willful violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b), 15(c)(1) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, 17a-3 and 17a-4 thereunder.

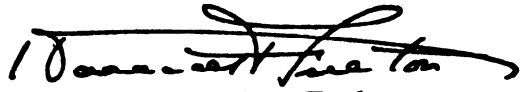
Naftalin & Co., Inc.
Minneapolis, Minnesota

Upon review of disciplinary action taken by the Association, the Securities and Exchange Commission on January 10, 1964, upheld the findings of the Association but deemed the penalties excessive (see SEC Release #7220). Accordingly it is ordered that the penalty of expulsion of Naftalin & Co., Inc. from membership in the Association be reduced to suspension for a period of twenty (20) days, that the revocation of George E. Clark's registration as a representative be reduced to suspension for a period of 20 days, and that Neil T. Naftalin be found a cause of the suspension of Naftalin & Co., Inc. The suspensions shall be effective commencing at the opening of business January 20, 1964. In all other respects the penalties imposed by the Board of Governors on July 19, 1962 were sustained wherein Naftalin & Co., Inc. was censured and fined \$4,500 and Clark was censured and fined \$1,000. The penalties were based on findings that the member sold securities to customers at prices which were not fair and not reasonably related to the current market, failed to disclose dual agency and the source and amount of commissions and other remuneration, failed to register two persons functioning and receiving compensation as registered representatives, violated Sections 4(c)(2) and 4(c)(8) of Regulation T of the Federal Reserve Board and, in transactions for employees of other members, failed properly to notify the employer member.

Casper Rogers & Co., Inc.
New York, New York

The Securities and Exchange Commission suspended Casper Rogers & Co., Inc., New York, New York, from membership in the Association for a period of six (6) months commencing with the opening of business on January 10, 1964 (see SEC Release #7216), for willful violations of Sections 5(a), 5(b)(2) and 5(c) of the Securities Act of 1933 and Sections 7, 10(b), 15(c)(1), 15(c)(3) and 17(a) of the Exchange Act and Rules 10b-5, 10b-6, 15c1-2, 15c3-1, 17a-3 and 4(c) of Regulation T thereunder. Casper A. Rogers was found to be a cause of such suspension.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page H-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

National Association of Securities Dealers, Inc.

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Treasurer
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Executive Director

1707 H STREET N.W. WASHINGTON, D. C. 20006

January 23, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Irwin Karp & Co., Inc.
New York, New York

District Business Conduct Committee for District #12 expelled Irwin Karp & Co., Inc., formerly known as D. Klapper Associates, Inc., New York, New York, from membership in the Association on January 19, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule and failed to comply with formal written requests for information. The registration of representative Irwin Karp was revoked.

Meade and Company
New York, New York

District Business Conduct Committee for District #12 expelled Paul Richter, dba Meade and Company, New York, New York, from membership in the Association on January 19, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule and violated Sections 4(c)(2) and 4(c)(8) of Regulation T of the Federal Reserve Board. The registration of representative Paul Richter was revoked, he was fined \$1,000 and named a cause of the expulsion.



Board of Governors

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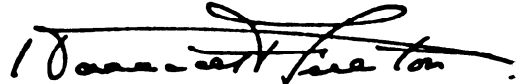
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Sunshine Securities, Inc.
Rego Park, New York

District Business Conduct Committee for District #12 expelled Sunshine Securities, Inc., Rego Park, New York, from membership in the Association on January 19, 1964, for violations of Sections 1, 12, 18, 19(a) and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to register a certain individual as required and engaged in a practice designed to increase sales of securities, whereby purported sales were recorded in the firm's books and records and confirmed to customers when the member knew, or should have known, that there was no agreement by the customers to purchase such securities. The registrations of representatives Lillian Grossbard and Raymond Douglas Wilson were revoked and Lillian Grossbard was named a cause of the expulsion. The registration of representative Howard Quoyoon was suspended for a period of two (2) years.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

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National Association of Securities Dealers, Inc.

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Chairman
ROBERT M. GARDINER
Vice Chairman
GEORGE J. BERGEN
Secretary

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TO MEMBERS OF THE ASSOCIATION IN DISTRICT NO. 12


It has come to the attention of this Committee that members generally are unfamiliar with the provisions for registration of Registered Representatives as contained in Article XV of the Association's By-Laws.

These requirements which appear on Pages C-53 through C-56 of the Association's Manual provide for the registration of all partners and officers of members. In addition, all employees who manage, supervise, solicit or handle listed or unlisted business in securities are required to be registered unless expressly exempted.

Specifically exempted from the requirement for registration are employees concerned solely with "exempted securities" (1934 Act, Section 3(a)(12)) and employees concerned solely with business in securities transacted on a national securities exchange, provided the duties of the latter require registration with such securities exchange.

While no specific exemption is provided, a resolution of the Board of Governors appearing on Page H-6 of the Manual recognizes the limited capacity of certain partners and officers of members, and authorizes the Executive Director to waive the requirement for registration of persons in this category upon appropriate application.

Members are urged to familiarize themselves with these requirements in order to insure compliance with this By-Law in the future.


John Wasserman, Chairman
District No. 12

January 28, 1964



DISTRICT COMMITTEE

HERBERT R. ANDERSON	New York	WILLIAM M. CAHN, JR.	New York	JAMES F. KERESY	New York	VICTOR M. MILLER	New York
STUART M. BERINGER	New York	SYDNEY G. DUFFY	New York	JOSEPH D. KRASOWICH	New York	WARREN K. VAN HISE	Newark
WESLEY M. BISHOP	Syracuse	H. THEODORE FREELAND	New York	H. STANLEY KRUSEN	New York	JOHN WASSERMAN	New York
ELLIOTT BLISS	New York	WARREN C. HEIDEL	Hartford	IRA B. MacCULLEY	New York	CLEVELAND S. WHITE	New York

APPENDIX TO UNIFORM PRACTICE CODE

Definitions of Terms Used in Section 28(c)

(A) Debt Obligation --

(1) In General -- Except as provided in subparagraph (2), the term "debt obligation" means --

(a) any indebtedness, whether or not represented by a bond, debenture, note, certificate, or other writing, whether or not secured by a mortgage, and whether or not bearing interest; and

(b) any interest in, or any option or similar right to acquire, a debt obligation referred to in this subparagraph (1), whether or not such interest, option, or right is in writing.

(2) Exceptions -- The term "debt obligation" shall not include any obligation which --

(a) is convertible by its terms into stock of the obligor, if it is so convertible only within a period of 5 years or less from the date on which interest begins to accrue thereon; or

(b) arises out of the divorce, separate maintenance, or support of an individual who is a United States person.

(B) Stock -- The term "stock" means --

(1) any stock, share, or other capital interest in a corporation;

(2) any interest of a partner in a partnership;

(3) any interest in an investment trust;

(4) any indebtedness which is convertible by its terms into stock of the obligor, if it is so convertible only within

a period of 5 years or less from the date on which interest begins to accrue thereon; and

(5) any interest in, or option or similar right to acquire, any stock described in this paragraph (B).

(C) Foreign Issuer or Obligor -- The terms "foreign issuer", "foreign obligor", and "foreign issuer or obligor" mean any issuer of stock or obligor of a debt obligation, as the case may be, which is --

(1)(a) an international organization of which the United States is not a member,

(b) the government of a foreign country or any political subdivision thereof, or an agency or instrumentality of such a government,

(c) a corporation, partnership, or estate or trust which is not a United States person as defined in paragraph (D); or

(d) a nonresident alien individual;

(2) a domestic corporation which, as of July 18, 1963, was a management company registered under the Investment Company Act of 1940 if --

(a) at least 80 percent of the value of the stock and debt obligations owned by such corporation on July 18, 1963, and at least 80 percent of the value of the stock and debt obligations owned by such corporation at the end of every calendar quarter thereafter (through the quarter preceding the quarter in which the acquisition involved is made), consists of stock or debt obligations of foreign issuers or obligors and other debt obligations having an original maturity of 90 days or less;

(b) such corporation elects to be treated as a foreign issuer or obligor for purposes of the Interest Equalization Tax Act; and

(c) such corporation does not materially increase its assets during the period from July 18, 1963, to the date of

such election through borrowing or through issuance or sale of its stock (other than stock issued or sold on or before September 16, 1963, as part of a public offering with respect to which a registration statement was first filed with the Securities and Exchange Commission on July 18, 1963, or within 90 days before that date).

The election under clause (b) must be made on or before the 60th day after the date of the enactment of the Interest Equalization Tax Act under regulations prescribed by the Secretary of the Treasury of the United States or his delegate. Such election shall be effective as of the date specified by the corporation, but not later than the date on which such election is made, and shall remain in effect until revoked. If, at the close of any succeeding calendar quarter, the company ceases to meet the requirement of clause (a), the election shall thereupon (with respect to quarters after such calendar quarter) be deemed revoked. When an election is revoked no further election may be made. If the assets of a foreign corporation are acquired by a domestic corporation in a reorganization described in subparagraph (D) or (F) of section 368(a)(1) of the Internal Revenue Code of 1954, the two corporations shall be considered a single domestic corporation for purposes of this subparagraph.

A foreign corporation (other than a company registered under the Investment Company Act of 1940) shall not be considered a foreign issuer with respect to any class of its stock which is traded on one or more national securities exchanges registered with the Securities and Exchange Commission, if the trading on such national securities exchanges constituted the principal market for such class of stock during the calendar year 1962 and if, as of the latest record date before July 19, 1963, more than 50 percent of such class of stock was held of record by United States persons.

(D) United States Person -- The term "United States person" means --

- (1) a citizen or resident of the United States,
- (2) a domestic partnership,

(3) a domestic corporation, other than a corporation described in paragraph (C)(2),

(4) an agency or wholly-owned instrumentality of the United States,

(5) a State or political subdivision, or any agency or instrumentality thereof, and

(6) any estate or trust --

(a) the income of which from sources without the United States is includible in gross income under the Internal Revenue Code.

(b) which is situated in the Commonwealth of Puerto Rico or a possession of the United States.

(E) Domestic Corporation; Domestic Partnership -- The terms "domestic corporation" and "domestic partnership" mean, respectively, a corporation or partnership created or organized in the United States or under the laws of the United States or of any State.

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Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

January 31, 1964

To: Members of National Association of Securities Dealers, Inc.
Re: Amendment to Section 28 of Uniform Practice Code

Enclosed herewith is a copy of an amendment to Section 28 of the Uniform Practice Code which is effective immediately. The amendment was approved by the Board of Governors on January 2, 1964 and, upon submission to the Securities and Exchange Commission, it was not disapproved. The amendment was made necessary by the Interest Equalization Tax Act of 1963 which was proposed by President Kennedy last summer and which is presently pending in Congress as H. R. 8000.

The Act, when and if enacted, will impose a tax upon acquisitions of stock of foreign issuers and debt obligations of foreign obligors of 15% of the actual value of the debt obligation measured by the period remaining to its maturity. There is no tax on the acquisition of debt obligations with a maturity of three years or less. The tax will be imposed upon the person acquiring the stock but it does not apply if the foreign securities are acquired from a person designated a "United States person" by the Act as long as he was a United States person throughout the period of his ownership of the stock or continuously since July 18, 1963.

The purpose of the proposed Act is to curtail the outflow of United States dollars to the detriment of this country's balance of payments position. As presently written, the proposed tax is temporary in nature and will terminate on December 31, 1965. Notwithstanding the fact that proposed legislation has not yet been enacted it has immediate effect since it has a retroactive feature and may pass Congress in that form. Thus, from the standpoint of record keeping, it is and has been necessary for members to comply with its provisions.

The amendment to Section 28 of the Uniform Practice Code complies with certain provisions of the proposed Act which permit easier handling on the part of members doing a business in foreign securities. The procedure is permitted, however, only if a rule such as Section 28(c) is in effect.



Board of Governors

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As noted above, the tax does not apply if the securities were obtained from an American owner. Originally, proof of such fact was to be evidenced by possession by the purchaser of a certificate of American ownership received from the seller. Because of many problems which were encountered, the Treasury Department consented to change its position and permit confirmations received from a member to be conclusive proof on the part of the purchaser that the purchase was from a United States person if the contrary was not indicated thereon. The Act was amended by the House Ways and Means Committee, accordingly. In order for the conclusive presumption to operate, however, the member must have in his possession either a Certificate of American Ownership relating to the sale or a Blanket Certificate of American Ownership relating to the account for which the sale was effected and the Association must have in effect a rule requiring a member who effects sales in foreign securities to have in his possession one or the other of such certificates or furnish the purchaser a confirmation stating the securities are subject to the tax. Notice of such liability must also be given by the member at the time of execution of the contract.

New Section 28(c) incorporates these requirements and provides in respect to sales subject to the tax that the confirmation must bear the following legend: "Buyer subject to Interest Equalization Tax."

The rule change has been approved by the Treasury Department as conforming to the Act's requirements with the result that confirmations from members of transactions involving foreign securities now represent conclusive proof in the hands of purchasers that the securities came from an American source unless otherwise indicated.

Insofar as the member is concerned when buying for his own account, he may treat a confirmation from another member or a Blanket Certificate of American Ownership with respect to the seller's account as conclusive proof of prior American ownership. The presumption does not operate, however, in any case where a purchaser or member making the acquisition has actual knowledge that the confirmation or certificate is misleading in any material respect.

Since the language of new Section 28(c) conforms to the Act, some of the terminology, i. e. , debt obligation, stock, foreign issuer, foreign obligor, United States person, is subject to definition. Attached hereto are definitions of those terms. These definitions are taken almost verbatim from the Act

itself and should be used in determining the applicability of the Act to transactions. They will be inserted in the Manual as an appendix to the Uniform Practice Code.

Certificates of American Ownership or Blanket Certificates of American Ownership may be obtained from your local District Director of Internal Revenue or the Uniform Practice Committee.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Wallace H. Fulton".

Wallace H. Fulton
Executive Director

Encls.

ROBERT W. HAACK
Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
ROBERT R. MILLER
Vice-Chairman
CRAIG SEVERANCE
Treasurer
WALLACE H. FULTON
Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

February 5, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Karen Securities Corp.
New York, New York

District Business Conduct Committee for District #12 expelled Karen Securities Corp., New York, New York, from membership in the Association on January 30, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information. The registration of representative Everett W. Fleisig was revoked, he was fined \$1,000 and found to be a cause of the expulsion.

J. Vander Moere & Company
Grand Rapids, Michigan

District Business Conduct Committee for District #8 expelled J. Vander Moere & Company, Grand Rapids, Michigan, from membership in the Association and fined it \$1,200 on January 26, 1964, for violations of Sections 1, 18, 21 and 25 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to keep accurate and up-to-date membership information on file with the Association in that it failed to notify the Association that it was not licensed by the State of Michigan as a broker/dealer in securities during a certain time period and that business was handled during this period through a licensed broker/dealer in Michigan which did not hold Association membership but with a name so similar as to deceive Association members and the investing public; that the member, upon being notified that the State of Michigan had refused to renew its license, allowed a non-member to carry on a securities business through the facilities of the member under terms and conditions as if the non-member was a member of the Association, thereby deceiving the public; that the member failed to maintain and keep current proper books and records and violated Section 4(c)(2) of Regulation T of the Federal Reserve Board. The registrations of representatives J. Vander Moere and J. Vander Moere, Jr. were revoked, they were named as causes of the expulsion and Vander Moere was censured and fined \$850.



Board of Governors

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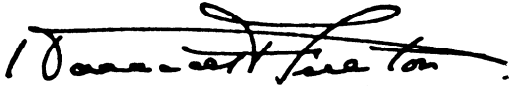
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V. S. Wickett & Company, Inc.
New York, New York

District Business Conduct Committee for District #12 suspended V. S. Wickett & Company, Inc., New York, New York, from membership in the Association and fined it, jointly and severally with representative A. Frank Sidoti, the amount of \$1,000 on January 30, 1964, for violations of Sections 1, 12, 18 and 19(a) of Article III of the Rules of Fair Practice. The suspension of one (1) year becomes effective commencing with the opening of business February 10, 1964. The penalties were based on findings that the member hypothecated and commingled customers' securities including certain fully paid securities, violated the SEC Net Capital Rule, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to disclose dual agency capacity and the source or amount of commission received and failed to register a certain individual as required. The registration of Sidoti was suspended for a period of one (1) year and he was censured.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

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Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

February 14, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

The Colorado Company, Inc.
Denver, Colorado

The Board of Governors expelled The Colorado Company, Inc., Denver, Colorado, from membership in the Association on February 10, 1964, for failure to pay the costs of \$108.00 imposed by a decision of District Business Conduct Committee for District #3 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Association's Rules of Fair Practice.

J. Laurence & Co., Inc.
New York, New York

The Board of Governors expelled J. Laurence & Co., Inc., New York, New York, from membership in the Association on February 10, 1964, for failure to pay the fine of \$200 imposed, jointly with registered representative Laurence J. Dunphy, by a decision of the District Business Conduct Committee for District #12 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

Sterling Securities Company
Los Angeles, California

The Securities and Exchange Commission on January 31, 1964, dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7228), the issues raised by the application for review having become moot by the Commission's action of November 2, 1959, which revoked the broker/dealer registration of Sterling Securities Company and named Marc Sterling and William B. Feinberg as causes (see SEC Release #6100). Therefore, the Decision stands as rendered by the Board of Governors on January 20, 1959, wherein Sterling Securities Company was expelled from membership in the Association and fined \$5,000, jointly with representative



Board of Governors

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Los Angeles
Portland

WILLIAM C. PORTER
W. JAMES PRICE
MALCOLM F. ROBERTS
CRAIG SEVERANCE
JUSTIN J. STEVENSON, JR.
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NORMAN B. WARD, JR.

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Marc Sterling, for violations of Sections 1, 4, 21 and 27 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to maintain current proper books and records, violated Regulation T of the Federal Reserve Board, failed to register certain individuals as required, failed to supervise the correspondence and transactions of its registered representatives and sold securities to customers at prices which were not fair and not reasonably related to the current market. The registration of Marc Sterling was revoked and the registrations of certain registered representatives were suspended, now effective with the opening of business on February 10, 1964, as follows: Martin L. McIntyre for six months, Loren Kent for three months, Zeke Snyder for one year and William B. Feinberg for one year. Warren S. Sandy was named a cause of the expulsion.

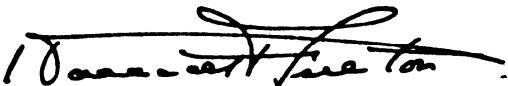
Variable Planning Corporation
Flushing, New York

The Board of Governors expelled Variable Planning Corporation, Flushing, New York, from membership in the Association on February 10, 1964, for failure to pay the fine of \$500 imposed by a decision of the District Business Conduct Committee for District #12 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Association's Rules of Fair Practice.

H. Law Weatherwax
Red Hook, New York

The Securities and Exchange Commission suspended H. Law Weatherwax, Red Hook, New York, from membership in the Association for a period of ninety (90) days commencing with the opening of business on Friday, February 14, 1964, for willful violations of Section 17(a) of the Exchange Act and Rule 17a-5 thereunder (see SEC Release #7236).

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members.

our files

National Association of Securities Dealers, Inc.

ROBERT W. HAACK
Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
BERT R. MILLER
Vice-Chairman
CRAIG SEVERANCE
Treasurer
WALLACE H. FULTON
Executive Director

1707 H STREET N.W. WASHINGTON, D. C. 20006

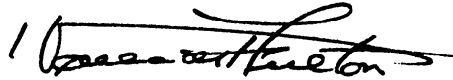
February 14, 1964

To: Members of the National Association of Securities Dealers, Inc.
Re: Amendments to Sections 17, 32 and 58 of the Uniform Practice Code

Enclosed are copies of the text of Sections 17, 32 and 58 of the Uniform Practice Code indicating amendments thereto.

These amendments, in accordance with the provisions of Article XIV of the By-Laws, were adopted by the Board of Governors on January 21, 1964 and, upon submission to the Securities and Exchange Commission, were not disapproved. The Board has prescribed that the amendments will be made effective on February 17, 1964.

Very truly yours,



Wallace H. Fulton
Executive Director

Encls.



Board of Governors

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JOHN W. DAYTON, JR.
ALLAN C. EUSTIS, JR.
G. SHELBY FRIEDRICHS
JAMES H. GODDARD
JULIAN L. GUMBINER

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Uniform Practice Code
National Association of Securities Dealers, Inc.
Section 17

Section 17(a) Each delivery of bonds or similar evidences of indebtedness ~~whether in bearer or registered form~~ in coupon bearer form shall be made in denominations of \$500 or \$1,000, except that when a contract is for a principal amount which is not a multiple of \$500, the parties shall agree, at the time of entering into the contract, as to the proper units for delivery.

Coupon Bonds

(b) Unless otherwise specified at the time of execution, contracts in bonds that are issuable in either coupon or registered form, may be settled by delivery of bonds in either form, provided they are interchangeable without charge and are in denominations no smaller than \$1,000 or larger than \$10,000.

Registered Bonds

Note: Language deleted has been dashed out. New language is underlined.

Uniform Practice Code
National Association of Securities Dealers, Inc.
Section 32

Section 32(a) A certificate in the name of a corporation or an institution, or in a name with official designation, shall be a good delivery only if the statement "Proper papers for transfer filed by assignor" is placed on the assignment and signed by the transfer agent.

Certificate
in Name of
Corporation, etc.

(b) Where a certificate, an assignment or a power of attorney is in the name of a corporation and the transfer books of the issuing company are closed indefinitely for any reason, the certificate shall not be a good delivery unless the assignment or other instrument effecting transfer on the corporation's behalf is executed by an officer of such corporation, other than the secretary, and is accompanied by (1) a guarantee of such officer's signature by a bank which is a member of the Federal Deposit Insurance Corporation, (2) an acknowledgment in proper form of such execution by such officer, (3) a copy of a corporate resolution in proper form authorizing such execution by such officer, certified by the secretary or other appropriate corporate officer to be in effect on the date of such execution, (4) a certificate of incumbency executed by the secretary or other appropriate corporate officer, certifying as to the office and signature of the executing officer as of the date of such execution, and (5) an acknowledgment in proper form of the certification of the resolution and the certificate of incumbency.

Transfer
Books Closed

(c) The foregoing requirements shall not apply to foreign internal securities when the requirements do not correspond to the laws or customs of the country concerned; but instead such laws and customs shall govern such securities.

Foreign
Internal
Securities

See Sample Notarial Acknowledgment
Nos. 5(a) and 5(b)

See Sample Corporate Resolution

See Sample Certificate of Incumbency

Note: New language is underlined.

Sample Certificate and Authorizing Resolution
For Transfer of Stock Held in Corporate Name

I,, Secretary
(Assistant Secretary) of,
a corporation organized and existing under the laws of
....., DO HEREBY CERTIFY that at a meeting of
the Board of Directors of said Corporation duly held on,
19...., at which a quorum was present and acting throughout, the following
resolutions were duly adopted:

"RESOLVED, That any one of the following officers, namely,*
.....
.....
.....
be and each of them hereby is authorized and empowered, in the
name and on behalf of this Corporation

"(a) to sell, assign and transfer, whether by endorse-
ment or separate power, on the books of any association, company
or corporation (i) any or all shares of stock, or other registered
securities, which may now or at any time hereafter stand in the
name of this Corporation on the books of any such association,
company or corporation, and (ii) any or all shares of stock, or
other registered securities, in respect of which this Corporation
may now or at any time hereafter be named as assignee in any
endorsement or separate power, with full power in each case to
designate in any such endorsement or separate power an attorney or
attorneys (with full power of substitution) to make the actual transfer
of such shares of stock, or other registered securities, on the books
of any such association, company or corporation.

"(b) to designate on any endorsement or separate power
in which this Corporation is appointed attorney to transfer shares
of stock, or other registered securities, on the books of any such
association, company or corporation, a substitute or substitutes
(with like power of substitution) to make such transfer; and

"(c) to make any certification or guarantee in respect of
any assignment or power of attorney or of any other document sub-
mitted in support of the transfer of any shares of stock, or other
registered securities, and to execute and deliver any and all waivers,

*Designate by titles only.

agreements (including agreements of indemnification) or other documents of whatsoever nature which may be required in connection with any such transfer;

hereby ratifying and confirming all that such officers and each of them shall do in the premises; and

"FURTHER RESOLVED, That any of the officers referred to in the foregoing resolution be and each of them hereby is authorized and empowered to sign, in the name and on behalf of this Corporation, any instruments or papers necessary or proper in connection with the exercise of the powers conferred by said resolution, with the manual signature of said officer over the designation 'Authorized Signature'; and

"FURTHER RESOLVED, That the presence or absence of the seal of this Corporation shall not affect the validity or binding effect upon this Corporation of any signature affixed in accordance with the foregoing resolutions; and

"FURTHER RESOLVED, That the Secretary or any Assistant Secretary of this Corporation be and he hereby is authorized and directed to certify a copy of these resolutions; and

"FURTHER RESOLVED, That any issuer of securities, its transfer agents, and any bank, banker or trust company, in whatever capacity it may act, being presented at any time with a certified copy of these resolutions and supporting certificates, may at any time (irrespective of any notice or knowledge which they may have theretofore received of the death of or changes with respect to any of the persons so named) rely on any instrument or paper necessary or proper in connection with the powers conferred by the foregoing resolutions which has been signed in accordance therewith prior to the receipt by said issuer, transfer agent, bank, banker or trust company from this Corporation of written notice of the revocation of the authority of the person signing such instrument or paper; and any instrument or paper so relied on shall be valid, effectual, conclusive and binding for all purposes on this Corporation."

I DO FURTHER CERTIFY that as Secretary (Assistant Secretary) as aforesaid I have custody of the records of meetings of the Board of Directors of said Corporation; that said resolutions are still in full force and effect and are not in conflict with any provisions of the Certificate of Incorporation or By-laws of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this day of, 19....

.....
Secretary
Assistant Secretary

(Corporate Seal)

Sample Certificate of Incumbency

I,, Secretary (Assistant Secretary) of, a corporation(hereinafter called the Corporation) DO HEREBY CERTIFY that the below named persons have been duly elected, have duly qualified, and this day are, officers of the Corporation holding the respective offices below set opposite their names and that the signatures below set opposite their names are their genuine signatures:

Name	Title	Signature
.
.
.
.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation thisday of., 19.

.
Secretary
Assistant Secretary

(Corporate Seal)

Uniform Practice Code
National Association of Securities Dealers, Inc.
Section 58

Section 58(a) The party who is partially unsecured Demand
by reason of a change in the market value of the subject of a for
contract in "~~when, as and if issued~~" or "~~when, as and if-~~ Deposit
~~distributed~~" securities may demand from the other party a deposit equal to the
difference between the contract price and the market price, without being
required to make a mutual deposit. Such deposit shall be made either with
the member demanding same or with a mutually agreed-on depository or, on
failure to agree on a depository, with any member of the Federal Reserve
System with an office in the financial district of the city where the unsecured
party maintains its office.

(b) Either party to a contract in "~~when, as and if-~~ Assign-
~~issued~~" or "~~When, as and if distributed~~" securities may assign ment of
the contract, either at the time the transaction is effected or at Contract
the time a request is made for funds to "mark to the market", provided the
other party to the contract assents to the assignment.

Note: Language deleted has been dashed out.

Note: There are no changes with respect to subsections (c), (d), (e), (f)
and (g) of Section 58.

ROBERT W. HAACK
Chairman
ROBERT R. MILLER
Vice-Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
WALLACE H. FULTON
Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

February 21, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Bayes, Rose & Co., Inc.
New York, New York

The Board of Governors expelled Bayes, Rose & Co., Inc., New York, New York, from membership in the Association on February 17, 1964, for violations of Sections 1, 18, 19(a) and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule, violated Sections 4(c)(2) and 4(c)(8) of Regulation T of the Federal Reserve Board and failed to maintain and keep current proper books and records. The registration of representative Sol Bayes, also known as Solomon Bazerman, was revoked.

McKeown & Co.
Chicago, Illinois

The Board of Governors expelled McKeown & Co., Chicago, Illinois, from membership in the Association on February 17, 1964, for violations of Sections 1, 2 and 18 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, made unsuitable recommendations to customers, failed to disclose that its securities business was being conducted while it was unable to meet current liabilities, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board and failed to register certain individuals as required. The registrations of representatives John G. Partipilo and Arthur Tiberi were revoked and they were censured and fined \$1,000 each. The registration of representative James P. Norville was revoked and he was censured and fined \$2,000. The registration of representative Edward T. Mieszkowski was suspended for a period of 60 days and he was fined \$200. John F. Morrissey was found to be a cause of the expulsion.



Board of Governors

GORDON BENT
JOHN W. CALLAGHAN
JOHN W. DAYTON, JR.
ALLAN C. EUSTIS, JR.
G. SHELBY FRIEDRICH
JAMES H. GODDARD
JULIAN L. GUMBINER

Chicago
New York
New York
New York
New Orleans
Boston
Kansas City

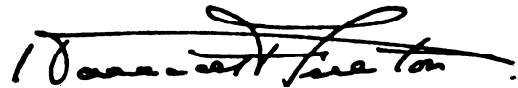
ROBERT W. HAACK
ROBERT C. HILL
GUS G. HALLIBURTON
JULIAN A. KISER
JOSEPH LUDIN
ROBERT R. MILLER
GEORGE F. PATTEN, JR.

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Los Angeles
Portland

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Pittsburgh

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.

A handwritten signature in black ink, appearing to read "Wallace H. Fulton", with a long horizontal flourish extending to the right.

Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

ROBERT W. HAACK
Chairman
ROBERT R. MILLER
Vice-Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
WALLACE H. FULTON
Executive Director

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

March 16, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Darrin and Company, Incorporated
Washington, D. C.

The Board of Governors expelled Darrin and Company, Incorporated, Washington, D. C., from membership in the Association on March 6, 1964, for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, failed to maintain and keep current proper books and records and furnished false and erroneous financial statements to the Association. The registrations of Robin M. Hope and Joseph Radko were revoked and they were each fined \$1,000.

A. J. Davis Co.
Pittsburgh, Pennsylvania

The Board of Governors expelled A. J. Davis Co., Pittsburgh, Pennsylvania, from membership in the Association on March 6, 1964, for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule and failed to maintain and keep current proper books and records. The registration of representative Alan J. Davis was revoked and he was found to be a cause of the expulsion.

The Glenn Arthur Company, Inc.
New York, New York

The Board of Governors expelled The Glenn Arthur Company, Inc., New York, New York, from membership in the Association on March 6, 1964, for violations of Sections 1, 18 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule and failed to maintain and keep current proper books and records. The registration of representative Arthur Shulman was revoked, he was fined \$1,000 and found to be a cause of the expulsion.



Board of Governors

GORDON BENT
JOHN W. CALLAGHAN
JOHN W. DAYTON, JR.
ALLAN C. EUSTIS, JR.
G. SHELBY FRIEDRICHS
JAMES H. GODDARD
JULIAN L. GUMBINER

Chicago
New York
New York
New York
New Orleans
Boston
Kansas City

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ROBERT C. HILL
GUS G. HALLIBURTON
JULIAN A. KISER
JOSEPH LUDIN
ROBERT R. MILLER
GEORGE F. PATTEN, JR.

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Los Angeles
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Los Angeles
Portland

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CRAIG SEVERANCE
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VAN S. TREFETHEN
NORMAN B. WARD, JR.

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Pittsburgh

Guardian Investment Corporation
Washington, D. C.

By Order of the Securities and Exchange Commission dated February 14, 1964 (see SEC Release #7239), the proceedings for review of disciplinary action taken by the Association were dismissed. Therefore, the decision stands as rendered by the Board of Governors on December 3, 1962, wherein Guardian Investment Corporation, Washington, D. C., was expelled from membership in the Association for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, sold securities to customers at prices which were not fair and not reasonably related to the current market, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to maintain and keep current proper books and records, submitted a misleading financial statement and did not abide with the Association's Interpretation with respect to "Free-riding and Withholding" in connection with an issue selling at a premium. The registration of representative Earl J. Lombard was revoked and he was fined \$5,000.

Planned Investing Corp.
New York, New York

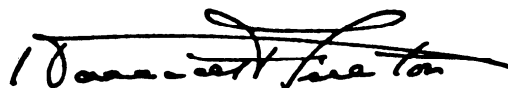
The Board of Governors expelled Planned Investing Corp., New York, New York, from membership in the Association on March 6, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to settle the money balance difference owed to another member as a result of a "buy-in". Bernard Blaker was found to be a cause of the expulsion.

Wisconsin-Continental, Inc.
Milwaukee, Wisconsin

The Board of Governors suspended Wisconsin-Continental, Inc., Milwaukee, Wisconsin, from membership in the Association, censured and fined it \$2,475.00 on March 6, 1964, for violations of Sections 1, 4, 18, 21, 27 and 28 of Article III of the Rules of Fair Practice. The suspension of twelve (12) months became effective commencing with the opening of business March 16, 1964. The penalties were based on findings that the member violated the SEC Net Capital Rule, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to maintain and keep current proper books and records, sold securities to customers at prices which were not fair and not reasonably related to the current market,

failed to register certain individuals with the Association as required, omitted to use reasonable diligence in the accounts of registered representatives of other broker/dealers in that no notice was sent to the employer members, failed properly to supervise the transactions of its registered representatives and failed to make a bona fide public offering in connection with the distribution of certain shares of a premium issue; and that Erwin J. Plesko, a registered representative, effected transactions by means of manipulative, deceptive or other fraudulent devices by creating or causing deceptive entries on the books and records of the member. The registration of Plesko was suspended for a period of 12 months, he was censured, fined \$1,000 and found to be a cause of the member's suspension.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Wallace H. Fulton
Executive Director

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

ROBERT R. MILLER Chairman
JOHN W. DAYTON, JR. Vice-Chairman
JUSTIN J. STEVENSON, JR. Vice-Chairman
CRAIG SEVERANCE Treasurer
ROBERT W. HAACK President

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

April 1, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Russell L. Irish
Spokane, Washington

The Board of Governors suspended Russell L. Irish, Spokane, Washington, from membership in the Association and fined it, jointly and severally with representative Russell Lawson Irish, the sum of \$5,000 on March 20, 1964, for violations of Sections 1 and 2 of Article III of the Rules of Fair Practice. The suspension of thirty (30) days became effective commencing with the opening of business March 30, 1964. The penalties were based on findings that the member failed to comply with Section 11(d)(1) of the Securities Exchange Act of 1934 and certain provisions of Regulation T of the Federal Reserve Board, and did not have reasonable grounds for belief that recommendations to customers were suitable. The registration of Russell Lawson Irish was suspended for a period of 30 days.

Order stayed by reason of appeal to the Securities and Exchange Commission.

Stuart P. Kastner & Associates, Inc.
Los Angeles, California

District Business Conduct Committee for District #2 suspended Stuart P. Kastner & Associates, Inc., Los Angeles, California, from membership in the Association and fined it, jointly and severally with representative Stuart P. Kastner, the sum of \$250 on March 19, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The suspension of forty-five (45) days became effective commencing with the opening of business March 30, 1964. The penalties were based on findings that the member used letters, pieces of literature and advertisements, intended to induce the purchase of shares of various investment companies, containing violations of the SEC Statement of Policy and failed to file five such pieces with the Association as required. The registration of Stuart P. Kastner was suspended for a period of 45 days.



Board of Governors

GORDON BENT JOHN W. CALLAGHAN ROBERT M. CLARK JOHN W. DAYTON, JR. ALLAN C. EUSTIS, JR. G. SHELBY FRIEDRICHS JAMES H. GODDARD	Chicago New York Chicago New York New York New Orleans Boston	JULIAN L. GUMBINER ROBERT C. HILL GUS G. HALLIBURTON JULIAN A. KISER JOSEPH LUDIN ROBERT R. MILLER GEORGE F. PATTEN, JR.	Kansas City Los Angeles Nashville Indianapolis New York Los Angeles Portland	WILLIAM C. PORTER W. JAMES PRICE MALCOLM F. ROBERTS CRAIG SEVERANCE JUSTIN J. STEVENSON, JR. VAN S. TREFETHEN NORMAN B. WARD, JR.	San Antonio Baltimore Denver New York Cincinnati San Francisco Pittsburgh
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Southern Brokerage Company
Dallas, Texas

The Board of Governors suspended Southern Brokerage Company, Dallas, Texas, from membership in the Association and fined it \$1,000 on March 11, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The suspension of thirty (30) days became effective commencing with the opening of business March 23, 1964. The penalties were based on findings that the member failed to honor a trade with another member.

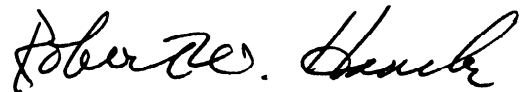
Order stayed by reason of appeal to the Securities and Exchange Commission.

John W. Yeaman, Inc.
Martinsville, Virginia

The Board of Governors suspended John W. Yeaman, Inc., Martinsville, Virginia, from membership in the Association on March 6, 1964, for violations of Sections 1 and 4 of Article III of the Rules of Fair Practice. The suspension of four (4) months becomes effective commencing with the opening of business April 13, 1964, and was based on findings that the member violated the SEC Net Capital Rule, sold securities to customers at prices which were not fair and not reasonably related to the current market and violated Section 4(c)(2) of Regulation T of the Federal Reserve Board. The registration of representative John W. Yeaman was suspended for a period of 4 months.

Order stayed by reason of appeal to the Securities and Exchange Commission.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

ROBERT R. MILLER
Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
JUSTIN J. STEVENSON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

May 7, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Cain and Company
Wilmington, Delaware

A request for withdrawal of appeal having been granted by the Securities and Exchange Commission on April 21, 1964, the Decision of the Board of Governors stands as rendered October 28, 1963, wherein Cain and Company, Wilmington, Delaware, was expelled from membership in the Association, censured and fined \$1,000 for violations of Sections 1, 21 and 27(a) of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to maintain and keep current proper books and records, violated the SEC Net Capital Rule, filed a statement of financial condition with the Association which listed assets which did not exist, failed to evidence supervision of registered representatives' transactions, purchased securities from another member without having sufficient funds to pay for them and failed to send written confirmation of transactions to other broker/dealers as required by Section 9 of the Uniform Practice Code.

Central Planning Co.
New York, New York

District Business Conduct Committee for District #12 expelled Irving Birnbaum, dba Central Planning Co., New York, New York, from membership in the Association and fined it \$1,000 on May 3, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to comply with formal written requests for information.

NASD

Board of Governors

CLIFFORD B. BARRUS, JR.
GORDON BENT
JOHN W. CALLAGHAN
ROBERT M. CLARK
JOHN W. DAYTON, JR.
ALLAN C. EUSTIS, JR.
G. SHELBY FRIEDRICH

Providence
Chicago
New York
Chicago
New York
New York
New Orleans

JULIAN L. GUMBINER
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GUS G. HALLIBURTON
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JOSEPH LUDIN
ROBERT R. MILLER
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Kansas City
Los Angeles
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Continental Fund Distributors, Inc.
West Hempstead, New York

District Business Conduct Committee for District #12 expelled Continental Fund Distributors, Inc., West Hempstead, New York, from membership in the Association and fined it, jointly and severally with representative Richard Coplon Jacobs, the sum of \$1,000 on May 3, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to comply with formal written requests for information. The registration of Jacobs was revoked.

Financial Counsellors, Inc.
New York, New York

The Securities and Exchange Commission suspended the broker/dealer registration of Financial Counsellors, Inc., New York, New York, on April 22, 1964, pending final determination of proceedings (see SEC Release #7296).

First Jersey Securities Corp.
New York, New York

District Business Conduct Committee for District #12 expelled First Jersey Securities Corp., New York, New York, from membership in the Association on May 3, 1964, for violations of Sections 1 and 18 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member sold limited partnership interests in a real estate syndication under an offering circular containing representations which were false and misleading; failed to comply with formal written requests for information; failed to amend the membership filing with the Association to show a change of stock ownership, the direct or indirect control by Mortimer L. Schultz, a party-in-interest, and his conviction for a crime, which would make the firm ineligible for membership; published advertisements which were flamboyant and tended to mislead; and failed appropriately to register twelve persons whose activities brought them within the definition of registered representative. Mortimer Schultz was named a cause of the expulsion.

The Metropolitan Mutual Fund Management
and Distribution Company
Silver Spring, Maryland

District Business Conduct Committee for District #10 expelled The Metropolitan Mutual Fund Management and Distribution Company, Silver Spring, Maryland, from membership in the Association on May 3, 1964, for violations of Sections 1, 12, 18, 19(a) and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, failed to record five sales transactions or to confirm these sales to the purchasers, and that Nelson B. Tonalli, a registered representative, converted a customers' securities to his own personal use. The registration of Tonalli was revoked.

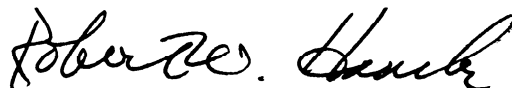
Niagara Investors Corp.
West Hempstead, New York

District Business Conduct Committee for District #12 expelled Niagara Investors Corp., West Hempstead, New York, from membership in the Association and fined it, jointly and severally with representative Richard Coplon Jacobs, the sum of \$1,000 on May 3, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to comply with formal written requests for information. The registration of Jacobs was revoked.

W. R. Sauve Co., Incorporated
New York, New York

District Business Conduct Committee for District #12 expelled W. R. Sauve Co., Incorporated, New York, New York, from membership in the Association and fined it, jointly and severally with representative William R. Sauve, the sum of \$1,000 on May 3, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to comply with formal written requests for information. The registration of William R. Sauve was revoked.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.

A handwritten signature in cursive script, appearing to read "Robert W. Haack".

Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

National Association of Securities Dealers, Inc.

ROBERT R. MILLER Chairman
JOHN W. DAYTON, JR. Vice-Chairman
JUSTIN J. STEVENSON, JR. Vice-Chairman
CRAIG SEVERANCE Treasurer
ROBERT W. HAACK President

1707 H STREET N.W. WASHINGTON, D. C. 20006

May 12, 1964

MEMORANDUM

To: All NASD Members

Re: Board of Governors Action in respect to Over-The-Counter Quotations

At the recently completed NASD Board meeting, the Governors overwhelmingly approved a proposed plan that would revise our system of furnishing approximately 1400 OTC retail quotations to newspapers carrying our National List.

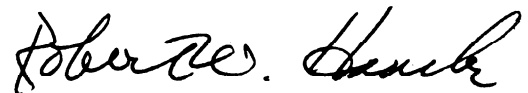
The new system broadly involves three steps:

1. Determining those most actively traded stocks (including bank and insurance company issues) by the narrowness of the spread in the inter-dealer market.
2. Applying a retail markup formula that would considerably narrow the NASD published spread by reducing the "asked" side of almost all of the 1400 issues now quoted. The spread on those issues falling into the actively traded classification would be further reduced by using a different retail markup formula.
3. Developing a new masthead that would be more properly descriptive of the method of compiling prices.

It is our intention to take this plan for a revised retail quotations system to the SEC staff for discussion and comment before any further announcement is made to the general public.

Very soon we plan to send you a more detailed description of the status of NASD negotiations with the SEC in connection with advertising and sales literature, selling practices, qualifications for entrance into the business, and other recommendations in the Study Group Report.

Sincerely,



Robert W. Haack
President



Board of Governors

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Pending file

National Association of Securities Dealers, Inc.

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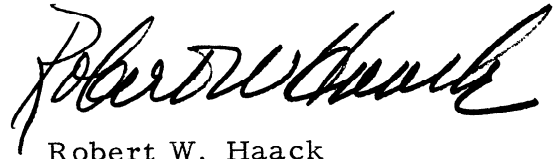
May 20, 1964

Notice to Members of the National Association of Securities Dealers, Inc.

This notice to members relates to the proposed issue of shares of Communications Satellite Corporation (Comsat). There are indications of widespread interest and heavy demand for the shares. It is also noted that Comsat has been directed by the Congress that the shares "shall be sold in a manner to encourage the widest distribution to the American public," and to that end many dealers will participate in the offering. With these circumstances in mind, we wish to remind members of the provisions of an interpretation of the Board of Governors of the Association with respect to "Free-riding and Withholding." This interpretation appears at pages G 23 - 26 of the Association's Manual.

In general, the interpretation emphasizes the obligation of members to make a bona fide public offering of securities acquired by participation in a distribution.

It is urged that the members give particular consideration to the interpretation in handling shares which may be allotted in the Comsat offering. The Association will observe closely the market developments relating to this distribution and, based thereon, will make the determination whether a questionnaire will be sent to members calling for details of the distribution of their allotments.



Robert W. Haack
President



Board of Governors

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|--|---|--|--|---|---|
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National Association of Securities Dealers, Inc.

1707 H STREET N.W. WASHINGTON, D. C. 20006

May 28, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

General Investing Corporation
New York, New York

On May 15, 1964, the Securities and Exchange Commission dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7316). Therefore, the decision stands as rendered by the Board of Governors on December 8, 1961 wherein General Investing Corporation, New York, New York was expelled from membership in the Association for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member sold securities to customers at prices which were not fair and not reasonably related to the current market and that the member's pricing policies were the responsibility of representative Ralph DePasquale; representatives DePasquale and Alvin D. Stone, Jr., as well as the member, violated Regulation T of the Federal Reserve Board, made improper use of the Association's name and failed to register certain individuals whose duties required registration. The registration of Stone was suspended for three months. The registration of DePasquale was revoked and he was named a cause of the expulsion.

J. B. Howard Investment Company
Shreveport, Louisiana

On May 19, 1964, the Securities and Exchange Commission reduced the suspension from membership in the Association of J. B. Howard, dba J. B. Howard Investment Company, Shreveport, Louisiana, from six months to a suspension of thirty days, which suspension will be effective June 1 through June 30, 1964. The Commission set aside the Association's finding that Regulation T was violated and found that the net capital deficiencies were not as substantial as found by the Association. In all other respects the action of the Association was sustained (see SEC Release #7318). The



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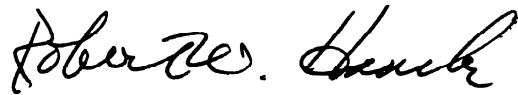
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penalties, which include a fine of \$1,000, were based on findings of violations of Sections 1, 12 and 21 of Article III of the Rules of Fair Practice in that the member violated the SEC Net Capital Rule, failed to maintain and keep current proper books and records, failed to confirm sales and liquidation of investment company shares to customers and failed to send written confirmations to mutual fund sponsors in contravention of Section 9 of the Uniform Practice Code.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members.

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Vice-Chairman
JUSTIN J. STEVENSON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

June 10, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Adams & Company
Los Angeles, California

On May 27, 1964, the Securities and Exchange Commission dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7327). Therefore, the decision stands as rendered by the Board of Governors on February 21, 1963, wherein Norman J. Adams, dba Adams & Company, Los Angeles, California, was expelled from membership in the Association for violations of Sections 1, 4, 12 and 27 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, sold securities to customers at prices which were not fair and not reasonably related to the current market, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to disclose the capacity in which it was acting when effecting transactions for customers, published misleading advertising and failed to evidence supervision of transactions by written endorsement.

Baron, Black, Kolb & Lawrence, Inc.
Beverly Hills, California

The Board of Governors expelled Baron, Black, Kolb & Lawrence, Inc., now known as Kolb & Lawrence, Inc., Beverly Hills, California, from membership in the Association on June 1, 1964, for failure to pay the fine and costs of \$944.96 imposed by a decision of the Board of Governors in connection with a finding of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.



Board of Governors

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J. B. Coburn Associates, Inc.
New York, New York

The Board of Governors expelled J. B. Coburn Associates, Inc., New York, New York, from membership in the Association on June 1, 1964, for failure to pay the fine and costs of \$113.00 imposed by a decision of District Business Conduct Committee for District #7 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

Commonwealth Securities Corporation
Columbus, Ohio

The Securities and Exchange Commission on May 22, 1964, dismissed as moot the proceedings for review of disciplinary action taken by the Association (see SEC Release #7322), in view of the expulsion of Commonwealth Securities Corporation, Columbus, Ohio, by the Board of Governors in another proceedings, which was subsequent to the filing of this application for review, and the time for appeal from that action having expired without any appeal having been filed, the expulsion has become effective.

Diversified Securities, Inc.
Englewood, Colorado

The Board of Governors expelled Diversified Securities, Inc., Englewood, Colorado, from membership in the Association on June 1, 1964, for failure to apy the costs of \$120.00 imposed by a decision of District Business Conduct Committee for District #3 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

Gearhart & Otis, Inc.
New York, New York

The Securities and Exchange Commission revoked the broker/dealer registration of Gearhart & Otis, Inc., New York, New York, and expelled it from membership in the Association on June 2, 1964, for wilful violations of Sections 5(a), 5(c), 7 and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(c)(1) of the Exchange Act and Rules 10b-5 and 15c1-2 thereunder. Frederick D. Gearhart, Jr. and Edward V. Otis are each a cause of this order.

Lee & Company
Jersey City, New Jersey

The Board of Governors expelled Kalman R. Lee, dba Lee & Company, Jersey City, New Jersey, from membership in the Association on June 1, 1964, for failure to pay the fine and costs of \$581.05 imposed by a decision of the Board of Governors in connection with a finding of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

S. P. Levine & Co., Inc.
New York, New York

The Board of Governors expelled S. P. Levine & Co., Inc., New York, New York, from membership in the Association on June 1, 1964, for failure to pay the fine of \$1,500 imposed, jointly with representative Stanley Paul Levine, by a decision of the Board of Governors in connection with a finding of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

Maryland Securities Co., Inc.
Baltimore, Maryland

The Board of Governors expelled Maryland Securities Co., Inc., Baltimore, Maryland, from membership in the Association on June 1, 1964, for failure to pay the fine and costs of \$1,192.75 imposed by a decision of the Board of Governors, which was upheld by the Securities and Exchange Commission, in connection with a finding of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

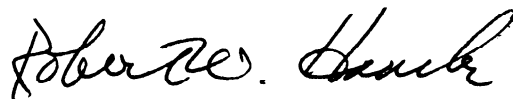
Frank John Mohr Investment Securities
San Francisco, California

The Board of Governors expelled Frank John Mohr Investment Securities, San Francisco, California, from membership in the Association on June 2, 1964, for failure to pay the fine and costs of \$1,111.00 imposed by a decision of District Business Conduct Committee for District #2 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

E. W. Stewart & Co., Inc.
Miami, Florida

The Board of Governors expelled E. W. Stewart & Co., Inc., Miami, Florida, from membership in the Association on June 1, 1964, for failure to pay the costs of \$452.34 imposed by a decision of District Business Conduct Committee for District #7 in connection with a finding of violations of Association Rules. The Board's action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members.

ROBERT R. MILLER
Chairman
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President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

June 12, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Kamen & Company
New York, New York

The Board of Governors expelled Kamen & Company, New York, New York, from membership in the Association on June 8, 1964, for violations of Sections 1 and 18 of Article III of the Rules of Fair Practice. The expulsion was based on findings of conduct involving, among other things, the design and implementation of a scheme which operated as a fraud or deceit, in which a group consisting of Laurence H. Ross and Jerome M. Grossinger, registered representatives of the member, George Herman, a registered representative of another member, and Frances Ginsberg and Anthony Perotta, unregistered employees of the member, solicited transactions in listed securities for execution by Kamen & Company from numerous broker/dealers who were not members of New York stock exchanges, on the basis of a reciprocal arrangement whereby these other broker/dealers would be remunerated through transactions in the over-the-counter market. The purported reciprocity was effected through transactions in the stock of Jerome, Richard & Co., Inc., a registered broker/dealer, at arbitrarily fixed successively higher prices at the direction of the above mentioned persons, who exercised control over the floating supply of this stock. While not found to be active participants in the scheme, the member and Abraham Kamen, a registered representative, were also found to have been in violation in view of the extensive pattern of the fraudulent conduct. The registrations of Kamen, Ross and Grossinger were revoked and they were found to be causes of the expulsion. In addition, representative Herman, and the individuals Ginsberg and Perotta, were also named as causes of the expulsion.

Order stayed by reason of appeal to the Securities and Exchange Commission.



Board of Governors

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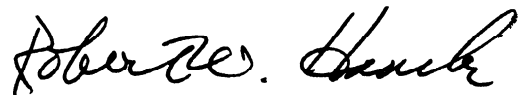
Givens, Marx & Co., Inc.
Miami, Florida

On June 3, 1964, the Securities and Exchange Commission dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7332). Therefore, the decision stands as rendered by the Board of Governors on October 16, 1963, wherein Givens, Marx & Co., Inc., now known as R. B. Marx & Co., Miami, Florida, was suspended from membership in the Association for violations of Sections 1 and 4 of Article III of the Rules of Fair Practice. The suspension of thirty (30) days is now effective commencing with the opening of business June 15, 1964 and was based on findings that the member violated the SEC Net Capital Rule, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, sold securities to customers at prices which were not fair and not reasonably related to the current market and failed to register certain individuals with the Association as required. The registration of representative Richard B. Marx was suspended for 30 days and he was fined \$500.

J. A. Winston & Co., Inc.
New York, New York

On June 5, 1964, the Securities and Exchange Commission dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7334). Therefore, the decision stands as rendered by the Board of Governors on February 23, 1961, wherein J. A. Winston & Co., Inc., New York, New York, was expelled from membership in the Association for violations of Sections 1, 4 and 18 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the Association's 5% Policy and failed to register numerous individuals as representatives with the Association as required. The registrations of representatives Joel A. Winston, Albert Bernstein, Morrison Gilbert and Irving Bernstein were revoked and they were found to be causes of the expulsion.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members.

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Vice-Chairman
JUSTIN J. STEVENSON JR.
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GUS SEVERANCE
Treasurer
ROBERT W. HAACK
President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

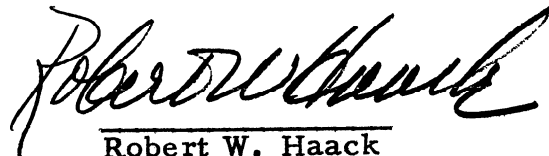
July 1, 1964

To: Members of National Association of Securities Dealers, Inc.

Re: Amendment to Section 28 of the Uniform Practice Code

Enclosed is a copy of an amendment to Section 28 of the Uniform Practice Code which was approved by the Board of Governors on May 4, 1964 and is effective immediately.

This amendment conforms to amendments to HR-8000, which will be submitted by the Treasury Department to the Senate Finance Committee at the request of the Association. The amendments, proposed Sections 4919 (b)(2) and 6681 (d) of HR-8000, are also enclosed.



Robert W. Haack
President



Board of Governors

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AMENDMENTS TO H. R. 8000

Proposed Section 4919(b)(2)

"(2) Proof of Sale to Persons Other than United States

Persons. -- For purposes of paragraph (2) of subsection (a), a written confirmation received by a selling dealer from a member or member organization of a national securities association registered with the Securities and Exchange Commission, which states that such member or member organization acquired debt obligations which are the subject thereof from such selling dealer on behalf of a person other than a United States person, or that such debt obligations were sold by such member or member organization on the date of acquisition or the next business day to a person other than a United States person, shall be conclusive proof that such selling dealer sold such debt obligations to persons other than United States persons, unless such selling dealer has actual knowledge that the confirmation is false in any material respect, if such national securities association has in effect at the time of the acquisition rules requiring that a member or member organization acquiring debt obligations as to which a claim for credit or refund will be filed under paragraph (2) of subsection (a) by the selling dealer, shall furnish a confirmation to the selling dealer which states that either --

(A) such debt obligations are being acquired on behalf of a person other than a United States person, or were sold by such member or member organization on the date of acquisition or the next business day to a

person other than a United States person; or

(B) such debt obligations are being acquired on behalf of a United States person, or were not sold by such member or member organization on the date of acquisition or the next business day to a person other than a United States person."

AMENDMENT TO SECTION 28 OF THE UNIFORM PRACTICE CODE

Section 28 of the Uniform Practice Code entitled "Delivery Under Government Regulations" shall be amended by deleting paragraph (c) (5) and adding the following:

(d) (1) Members selling debt obligations of a foreign obligor out of their inventory of such obligations acquired from persons other than United States persons, or selling such obligations short with the intention of covering out of such inventory, pursuant to the dealer provisions contained in section 4919 (a) (2) of the proposed Interest Equalization Tax Act, will designate the contract "Interest Equalization Tax -- Dealer Transaction" at the time of the trade. The confirmation sent by the selling member to the buying member will contain this designation and the following alternative statements, one of which must be checked by the buying member and returned to the selling member:

- (i) We represent that these securities are being purchased for the account of a customer who is not a United States person, or that these securities were resold on the date of acquisition or the next business day to a person other than a United States person.
- (ii) The purchaser of these securities was a United States person, or these securities were not sold on the date of acquisition or the next business day to other than a United States person. We will, upon demand, reimburse you for the Interest Equalization Tax payable by you because of your purchase of these securities.

It is agreed by the parties to the purchase and sale of the securities represented by this confirmation that the statement checked above shall be considered a provision of the contract effectuating the transaction.

(2) Records clearly indicating the nature of the above transactions shall be maintained by the buying and selling members.

(e) Notwithstanding the provisions of Section (1) of this Uniform Practice Code, the provisions of subsections (c) and (d) are mandatory and cannot be waived by agreement of the parties.

Proposed Section 6681(d)

"(d) Liability of Members of National Securities

Associations for False Confirmations. -- A member or member organization of a national securities association registered with the Securities and Exchange Commission who willfully furnishes a confirmation described in section 4919(b)(2) (in a transaction subject to the rules of such association as described in section 4919(b)(2)) which contains a misstatement of material fact shall be liable to a penalty equal to 125 percent of the amount of the tax imposed by section 4911 on the acquisition of the debt obligations involved, which, but for the provisions of section 4919(a)(2), would not be credited or refunded to the dealer acquiring the debt obligations."

ROBERT R. MILLER
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JOHN W. DAYTON JR.
Vice-Chairman
JUSTIN J. STEVENSON JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

July 2, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

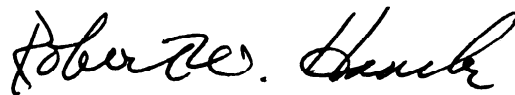
Larry K. Kajiwara
Honolulu, Hawaii

District Business Conduct Committee for District #2 expelled Larry K. Kajiwara, Honolulu, Hawaii, from membership in the Association on June 27, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule.

Securities Research Corporation
Los Angeles, California

The Board of Governors expelled Securities Research Corporation, Los Angeles, California, from membership in the Association on June 25, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule. The registration of representative D. Loren Lake was revoked and Robert T. Russell was named a cause of the expulsion.

The attention of members is directed to Section 25 of Article III of the Association's Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).



Board of Governors

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President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

July 10, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

F and C Securities, Inc.
Brooklyn, New York

District Business Conduct Committee for District #12 expelled F and C Securities, Inc. from membership in the Association on July 5, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule, failed to comply with formal written requests for information and failed to honor a trade with another member. The registrations of representatives Clement and Frank Esposito were revoked.

J. H. Goddard & Co., Inc.
Boston, Massachusetts

The Securities and Exchange Commission suspended J. H. Goddard & Co., Inc. from membership in the Association for a period of forty-five (45) days effective July 3 to August 16, 1964, inclusive (see SEC Release #7361), for wilful violations of Sections 5(a) and 5(c) and 17 of the Securities Act of 1933, Sections 10(b) and 15(c)(1) of the Exchange Act and Rules 10b-5, 10b-6, 15c1-2 and 15c1-8 thereunder and Sections 206(1) and (2) of the Advisers Act. James H. Goddard, Sr., George C. Mirageas and Carleton Davenport were each found to be a cause of the suspension.



Board of Governors

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ALLAN C. EUSTIS, JR.
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San Francisco
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Jerome, Richard & Co., Inc.
New York, New York

District Business Conduct Committee for District #12 expelled Jerome, Richard & Co., Inc. from membership in the Association on July 5, 1964, for violations of Sections 1, 18, 19(a) and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member, with the active participation of Richard Venticinque and Jerome Perlongo, officers of the member, engaged in the perpetration of a scheme involving, among other things: a public distribution of stock of the member under a Regulation "A" filing, permitting a group including, among others, George Herman and Laurence H. Ross, registered representatives of other members, to control the floating supply of the security; the utilization of the member itself as the base from which the security flowed to and from other broker/dealers at arbitrarily determined and successively increasing prices; effecting the transactions at a time when the firm was in a current net capital deficit and in such volume and frequency as to reflect profits to the broker/dealers so that Herman and Ross, and others, would have listed business directed to them in return for reciprocal over-the-counter business in the form of trades in the security; and inadequacies in recording all transactions in the security in the blotters of the member. The registrations of Venticinque and Perlongo were revoked and Herman and Ross were each named a cause of the expulsion.

Jervis Securities, Inc.
Passaic, New Jersey

District Business Conduct Committee for District #12 expelled Jervis Securities, Inc. from membership in the Association on July 5, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information and failed to honor trades with other members. The registration of representative Joseph Jervis was revoked.

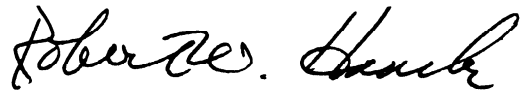
F. S. Johns & Company, Inc.
Union, New Jersey

District Business Conduct Committee for District #12 expelled F. S. Johns & Company, Inc. from membership in the Association on July 5, 1964, for violations of Sections 1, 2, 12, 18, 21 and 27(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information, made unsuitable recommendations to members of the public by means of indiscriminate mass mailings and local and long distance telephone communications, violated Sections 4(c)(2) and 4(c)(8) of Regulation I of the Federal Reserve Board, failed to maintain and keep current proper books and records, failed to evidence written approval of all transactions effected by its registered representatives and confirmed as principal numerous transactions of purchase and sale in customer accounts when, in fact, such transactions had been effected as agent for such customers. The registration of John A. Tricoli, Jr. was revoked.

Southeastern Securities Corporation
New York, New York

District Business Conduct Committee for District #12 expelled Southeastern Securities Corporation from membership in the Association on July 5, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information. The registration of representative A. Francis Renaud was revoked.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

National Association of Securities Dealers, Inc.

ROBERT R. MILLER
Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
JIMMIE J. STEVENSON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

August 4, 1964

#1

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Central Securities, Inc.
Red Bank, New Jersey

District Business Conduct Committee for District #12 expelled Central Securities, Inc. from membership in the Association on July 30, 1964 for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information. The registration of representative Alex L. Hessinger was revoked.

Financial Counsellors, Inc.
New York, New York

The Securities and Exchange Commission revoked the broker/dealer registration of Financial Counsellors, Inc. and expelled it from membership in the Association on July 17, 1964, for willful violations of Sections 15(b) of the Exchange Act of 1934 and Rules 15b-1 and 15b-2 thereunder. Ernest F. Boruski, Jr., was found to be a cause of this order.

Securities Research Corporation
Los Angeles, California

Reference is made to "Notice to Members" dated July 2, 1964, wherein it was noted that the Board of Governors had expelled Securities Research Corporation from membership in the Association on June 25, 1964, revoked the registration of representative D. Loren Lake and named Robert T. Russell a cause of the expulsion.

Action set forth in letter of July 2, 1964, has been stayed by reason of appeal to the Securities and Exchange Commission.



Board of Governors

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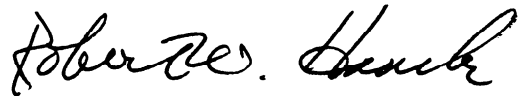
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The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

ROBERT R. MILLER
Chairman
JOHN W. DAYTON, JR.
Vice-Chairman
JUSTIN J. STEVENSON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

On file
National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

August 18, 1964

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Cortlandt Investing Corporation
New York, New York

Reference is made to "Notice to Members" dated June 25, 1964, wherein it was stated that the Board of Governors had expelled Cortlandt Investing Corporation from membership in the Association on June 11, 1964, and found representative Melvin Cantor to be a cause of expulsion.

The actions set forth in the June 25, 1964 "Notice to Members" have been stayed by reason of appeal to the Securities and Exchange Commission.

McNeel and Company
Atlanta, Georgia

District Business Conduct Committee for District #7 expelled McNeel and Company from membership in the Association on July 13, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities and violated the SEC Net Capital Rule. The registration of representative Eugene E. McNeel was revoked.



Board of Governors

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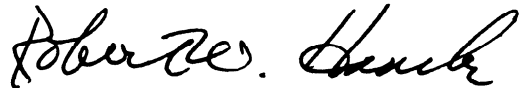
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The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.



Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

ROBERT R. MILLER
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Vice-Chairman
JUSTIN J. STEVENSON, JR.
Vice-Chairman
CRAIG SEVERANCE
Treasurer
ROBERT W. HAACK
President

National Association of Securities Dealers, Inc.

888 SEVENTEENTH STREET N.W. WASHINGTON, D. C. 20006

August 28, 1964

#3

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

McMeen & Shimel, Inc.
Fort Wayne, Indiana

District Business Conduct Committee for District #8 expelled McMeen & Shimel, Inc. from membership in the Association and fined it \$1,000 on August 21, 1964, for violations of Sections 1, 18, 19 and 21 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member omitted to state material facts so as to mislead in applying for membership transfer from a sole proprietorship to a corporation; failed to maintain and keep current proper books and records; used or borrowed customers' securities to secure bank loans without written authorization; violated the SEC Net Capital Rule and engaged in a securities business while in non-compliance with said rule. The registrations of representatives Robert K. Shimel and J. Allen McMeen were revoked and they were each fined \$1,000.

Selective Securities
New York, New York

Reference is made to "Notice to Members" dated June 24, 1964, wherein it was stated that the Board of Governors had expelled Selective Securities from membership in the Association on June 18, 1964 and found representatives Alfred Miller and Sidney Miller as causes of the expulsion.

Such action has been stayed by reason of appeal to the Securities and Exchange Commission.



Board of Governors

CLIFFORD B. BARRUS, JR.
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ALLAN C. EUSTIS, JR.
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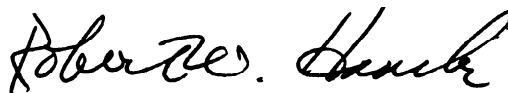
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The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.

A handwritten signature in cursive script, reading "Robert W. Haack".

Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

NOTICE

September 16, 1964 #5

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

C. A. Benson and Co., Inc.
Pittsburgh, Pennsylvania

The Board of Governors expelled C. A. Benson and Co., Inc. from membership in the Association and censured and fined it \$2,500 on September 10, 1964 for violations of Sections 1, 4 and 13 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member published misleading sales literature, violated the SEC Net Capital Rule, failed to disclose the existence of common control and sold securities to customers at prices which were not fair and not reasonably related to the current market. The registrations of representatives Carl A. Benson and James H. Alm were revoked, they were censured and fined \$1,500 and \$750 respectively.

M. J. Merritt & Co., Inc.
New York, New York

On September 2, 1964, the Securities and Exchange Commission dismissed the proceedings for review of disciplinary action taken by the Association (see SEC Release #7409). Therefore, the decision stands as rendered by the Board of Governors on December 3, 1962 wherein M. J. Merritt & Co., Inc., formerly Merritt, Vickers, Inc., was expelled from membership in the Association for violations of Sections 1, 4, 12, 18 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member sold securities at prices which were not fair and not reasonably related to the current market, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to maintain and keep current proper books and records and failed to disclose the source and amount of commissions charged to the counterparty in dual agency transactions. The registrations of representatives Matthew J. Merritt and James S. Vickers were revoked and they were each named a cause of the expulsion.

Mutch, Khanbegan, Flynn & Green, Inc.
New York, New York

District Business Conduct Committee for District #12 suspended Mutch, Khanbegan, Flynn & Green, Inc. from membership in the Association on September 4, 1964, for violations of Sections 1, 18, 19(a) and 21 of Article III of the Rules of

Fair Practice. The suspension of fifteen (15) days is effective September 14 to September 28, 1964, inclusive, and was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule and failed to maintain and keep current proper books and records. John Mutch and Andrew Khanbегian were each found to be a cause of the suspension.

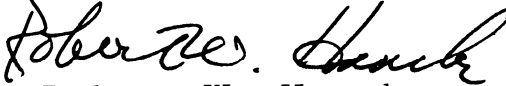
Trio Financial Planning
Staten Island, New York

District Business Conduct Committee for District #12 expelled William M. Corey, dba Trio Financial Planning, from membership in the Association on September 4, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The expulsion was based on findings that William M. Corey took the registration qualification examination representing himself to be one Dennis Anthony Kirshy, and permitted Mr. Kirshy to perform the duties of a registered representative without first causing him to be effectively registered with the Association.

William, David & Motti, Inc.
New York, New York

District Business Conduct Committee for District #12 expelled William, David & Motti, Inc. from membership in the Association on September 4, 1964, for violations of Sections 1, 12, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities, violated the SEC Net Capital Rule, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board and failed to disclose dual agency capacity or the source and amount of commissions received. The registration of representative David B. M. Zaretsky was revoked and he was named a cause of the expulsion.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

September 22, 1964 #6

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

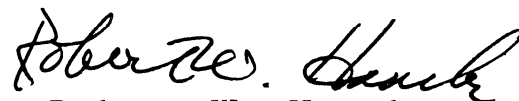
Ernest F. Boruski, Jr.
New York, New York

The Securities and Exchange Commission revoked the broker/dealer registration of Ernest F. Boruski, Jr. and expelled him from membership in the Association on September 11, 1964 (see SEC Release #7418), for willful violations of Sections 15(b) and 17(a) of the Exchange Act and Rules 15b-1, 15b-2 and 17a-5 thereunder.

Investment Fund Consultants, Inc.
Ft. Lauderdale, Florida

District Business Conduct Committee for District #7 expelled Investment Fund Consultants, Inc. from membership in the Association September 18, 1964 for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member failed to comply with formal written requests for information and failed to maintain and keep current proper books and records. The registration of representative Robert Lee Bales was revoked.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

NOTICE

November 4, 1964 #12

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

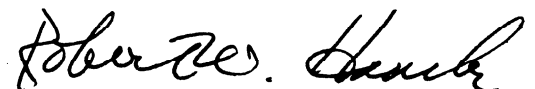
Aloha Securities Co., Inc.
Honolulu, Hawaii

The Board of Governors suspended Aloha Securities Co., Inc. from membership in the Association on October 27, 1964, for violations of Section 1 of Article III of the Rules of Fair Practice. The suspension of thirty (30) days became effective commencing with the opening of business November 2, 1964, and was based on findings that the member violated the SEC Net Capital Rule and filed with the Association trial balances which contained misleading and inaccurate information. The registration of William L. Wong was suspended for 30 days.

Martin-Warren Co., Ltd.
West Paterson, New Jersey

District Business Conduct Committee for District #12 expelled Martin-Warren Co., Ltd. from membership in the Association and fined it, jointly and severally with representative Joel Sharenow, the sum of \$1,000 on September 29, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The penalties were based on findings that the member engaged in a securities business while unable to meet current liabilities and violated the SEC Net Capital Rule. The registration of Sharenow was revoked and he was found to be a cause of the expulsion.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

NOTICE

November 18, 1964 #14

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

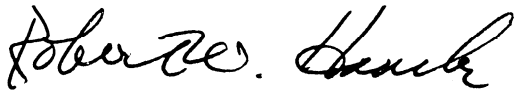
Allen B. Bletz & Co.
Los Angeles, California

On November 10, 1964, Allen B. Bletz & Co. was expelled from membership in the Association for failure to pay the fine of \$2,000 imposed by a decision of District Business Conduct Committee for District #2 in connection with findings of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

Security Planning Services, Inc.
Houston, Texas

The Board of Governors expelled Security Planning Services, Inc. from membership in the Association and fined it, jointly and severally with representative Joseph A. Baumert, Jr., the sum of \$5,000 on November 10, 1964 for violations of Sections 1, 15(a) and (b), 18 and 21 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to maintain and keep proper books and records and arranged loans for the purpose of enabling a customer to purchase open-end investment company shares. The registration of Baumert was revoked.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

NOTE: This notice is being sent to all registered branch offices of members and to newspaper financial editors (in accordance with the resolution appearing on Page H-10 of the Association's Manual).

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

November 25, 1964 #15

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

The Bankers Bond Co.
Louisville, Kentucky

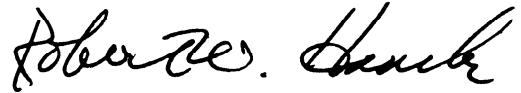
The Board of Governors expelled The Bankers Bond Co. from membership in the Association on November 20, 1964, for violations of Sections 1 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule and failed to maintain and keep current proper books and records.

Fund Investments, Inc.
Charlotte, North Carolina

District Business Conduct Committee for District #10 expelled Fund Investments, Inc. from membership in the Association effective November 25, 1964, for violations of Sections 1, 12 and 21 of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, failed to properly confirm transactions to customers and failed to maintain proper books and records. The registration of representative Sister Perfection was revoked.

On November 13, 1964, the Securities and Exchange Commission revoked the broker/dealer registrations of Fund Investments, Inc. and Fund Investments, Inc. of Florida (see Notice to Members #13) for willful violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b), 15(c)(1), 15(c)(3) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, 15c3-1, 17a-3 and 17a-5 thereunder. Sister Perfection and Marjorie G. Hugo were each found to be a cause of this order (see SEC Release #7461).

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.

A handwritten signature in cursive script, reading "Robert W. Haack".

Robert W. Haack
President

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

NOTICE

December 4, 1964 #16

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Patrick Clements & Associates
Los Angeles, California

Reference is made to "Notice to Members #10" dated October 22, 1964, wherein it was stated that the Board of Governors had expelled Patrick Clements & Associates from membership in the Association on October 20, 1964.

Such action has been stayed by reason of appeal to the Securities and Exchange Commission.

Mutual Fund Brokerage Corp. of America
Pocatello, Idaho

On November 24, 1964, Mutual Fund Brokerage Corp. of America was expelled from membership in the Association for failure to pay the balance of \$2,785.05 of the fines and costs imposed by decisions of the Board of Governors in connection with findings of violations of Association Rules. This action was based on the provisions of Section 2 of Article V of the Rules of Fair Practice.

I. L. Rennert & Co., Inc.
New York, New York

District Business Conduct Committee for District #12 expelled I. L. Rennert & Co., Inc. from membership in the Association effective November 29, 1964, for violations of Sections 1, 18 and 19(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member engaged in a securities business while unable to meet current liabilities and violated the SEC Net Capital Rule. The registration of representative Ira L. Rennert was revoked.

Scott, Harvey & Co., Inc.
Fairlawn, New Jersey

District Business Conduct Committee for District #12 expelled Scott, Harvey & Co., Inc. from membership in the Association effective November 29, 1964, and fined it, jointly and severally with representative William J. McFarland, the sum of \$1,000 for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to comply with formal written requests for information. The registration of McFarland was revoked.

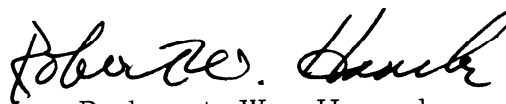
J. A. Walker & Co., Inc.
Belleville, New Jersey

District Business Conduct Committee for District #12 expelled J. A. Walker & Co., Inc. from membership in the Association effective November 29, 1964, and fined it, jointly and severally with representative John A. Walker, the sum of \$1,000 for violations of Section 1 of Article III of the Rules of Fair Practice. The penalties were based on findings that the member failed to honor trades with other members. The registration of Walker was revoked.

Walnut Securities Corporation
Philadelphia, Pennsylvania

The Board of Governors expelled Walnut Securities Corporation from membership in the Association on November 25, 1964, for violations of Sections 1, 21 and 27(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, failed to maintain and keep current proper books and records, violated Section 4(c)(2) of Regulation T of the Federal Reserve Board, failed to evidence written approval of registered representatives' transactions and caused two customers to make loans to the member by representing to them that there was an active market in the securities it pledged as collateral, when the only market was made, created and controlled by the member. The Board also found that Edward M. Eglowsky, a registered representative, converted customers' funds to his own use which resulted in violations of Section 19 of Article III of the Rules of Fair Practice by Eglowsky, and that the member failed to supervise Eglowsky in this respect. The registrations of Eglowsky and representative Reginald V. Mecke were revoked and they were each fined \$1,000. The registrations of two representatives were suspended, that of Louis P. Sanza for one month, and that of Raymond Kravitz for two weeks, and they were fined in the amounts of \$1,000 and \$500, respectively.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual, relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

December 29, 1964 #17

NOTICE

To Members of the
National Association of Securities Dealers, Inc.

Your attention is directed to the following actions:

Co-Ordinated Investing Corporation
New York, New York

The Securities and Exchange Commission revoked the broker/dealer registration of Co-Ordinated Investing Corporation and expelled it from membership in the Association on December 7, 1964 (see SEC Release #7482), for willful violations of Section 17(a) of the Exchange Act of 1934 and Rule 17a-5 thereunder. Richard Reiner was barred from being associated with any broker or dealer.

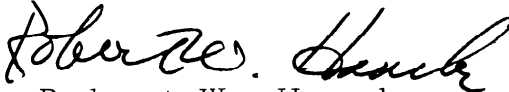
Thomas Jay, Winston & Co., Inc.
Beverly Hills, California

The Board of Governors suspended Thomas Jay, Winston & Co., Inc. from membership in the Association and fined it \$1,000 on December 4, 1964, for violations of Sections 1, 27(a) and 28 of Article III of the Rules of Fair Practice. The suspension of ninety (90) days became effective commencing with the opening of business December 21, 1964. The penalties were based on findings that the member failed to make a bona fide public offering of shares of a new issue, submitted false and misleading information to the Board of Governors concerning its distribution of said issue, failed to properly supervise certain of the transactions effected in the above public offering and failed to give notice to the employer-members of two registered representatives of transactions in their accounts with the member. The registration of representative Milton Toboco was suspended for 90 days and he was fined \$1,000. Solomon Eisenrod was named a cause of the suspension of the member.

R. B. Marx & Co., Inc.
Miami, Florida

The Board of Governors expelled R. B. Marx & Co., Inc. from membership in the Association on December 10, 1964, for violations of Sections 1, 21 and 27(a) of Article III of the Rules of Fair Practice. The expulsion was based on findings that the member violated the SEC Net Capital Rule, failed to maintain and keep current proper books and records, permitted an individual to act as a registered representative and to effect transactions without first having registered him as such, and failed to properly supervise him in connection with the transactions. The registration of representative Richard B. Marx was revoked. The registration of representative Elizabeth Deutch was suspended for 30 days and she was fined \$500.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice, and to an interpretive memorandum beginning on Page G-35 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.


Robert W. Haack
President

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