

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE November 7, 1962

**NASD SANCTION AGAINST R. A. HOLMAN AFFIRMED.** The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-6931) affirming the action of the National Association of Securities Dealers, Inc., in censuring Richard A. Holman, of New York, and suspending his registration as a registered representative for 90 days. The Association's action was based upon its finding that during 1958, while vice president, treasurer and a principal stockholder of McDonald, Holman & Co., Inc., Holman (along with Hugh McDonald, its president and another principal stockholder) was responsible for violations by that firm of the Commission's net capital rule and its conduct of a securities business while unable to meet its current liabilities. (The NASD previously expelled the firm from membership and revoked the registration as a registered representative of Hugh McDonald neither of whom appealed.) The Commission found that such conduct violated the Association's rules of fair practice and was inconsistent with just and equitable principles of trade, and that the penalties imposed by the Association were not excessive or oppressive.

The NASD District Committee had found that McDonald-Holman had a net capital deficiency ranging from \$188,150 on April 30, 1958, to \$385,460 on July 31, 1958. The District Committee had refused to give any value to certain unrecorded options held by the firm. The NASD Board of Governors ruled that it was unnecessary to consider whether the options had any value unless it accepted Holman's contention that certain entries on the firm's books were fictitious. The entries in question reflected a liability of \$260,679 to a Los Angeles firm for about 65,000 shares of Texas Toy Company stock purchased from that firm at \$4 per share in three transactions in late April 1958. Based upon its review of the record, and despite Holman's claim that the entries were fictitious, the Commission sustained the finding that the Texas Toy purchases at \$4 were not fictitious. The McDonald-Holman firm was unable to pay and did not pay for the Texas Toy stock, for which its books reflected a liability of \$260,679. The Commission also rejected Holman's contentions that he was not responsible for any violations that occurred.

**KLION FILES STOCK PLAN.** H. L. Klion, Inc., 751 Summa Avenue, Westbury, L.I., N.Y., filed a registration statement (File 2-20873) with the SEC on November 5th seeking registration of 100,000 shares of common stock, to be offered pursuant to its Employees' Stock Option Plan.

**TOWN AND COUNTRY ASSOCIATES FILES FOR OFFERING.** Town and Country Associates, 59 East Van Buren St., Chicago, filed a registration statement (File 2-20874) with the SEC on November 5th seeking registration of 64½ limited partnership capital interests in Associates (having a book value of \$900 each) and \$506,325 of 10-year 5% subordinated promissory notes due 1973, to be offered for public sale in units consisting of one interest and \$7,850 of notes. The offering will be made without underwriting at \$8,750 per unit.

Associates is a limited partnership organized under Illinois law in September 1962 with Joseph J. Abbell and Leonard Lamensdorf as general partners. It proposes to acquire from Jolen Realty Corporation (owned by the general partners) three parcels of vacant real estate in Springfield, Ill., on which the partnership intends to construct a shopping center, an office building, and related facilities. The purchase price (said to be Jolen's contracted costs plus certain estimated expenses) is \$447,000; and the cost of construction is estimated at \$1,544,000. The funds for such purposes will be derived from the sale of the units (\$564,375), from capital contribution of the general partners and two original limited partners (aggregating \$35,875), and from mortgages secured by the real estate (\$1,614,000). For services as general contractor and financing and leasing agent, Jolen Realty will receive a net, fixed fee from the partnership of \$87,500, and as manager of the property, a net fee of 2% of the annual gross revenues. The general partners will receive fees totaling \$22,500 for legal services.

**SECURITIES ACT REGISTRATIONS.** Withdrawn November 6: Henry Rosenfeld, Inc. and Henry Rosenfeld, Issuer of Options (File 2-20010).

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