

# sec news digest

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## DECISIONS IN ADMINISTRATIVE PROCEEDING

TRANSAMERICAN SECURITIES, INC. REVOKED AND PRESIDENT BARRED. An order has been issued revoking the broker-dealer registration of Transamerican Securities, Inc., Salt Lake City, and barring its president, Duane Smith Jensen, from association with any broker or dealer, but providing that after two years he may apply to the Commission for permission to be associated with a broker-dealer in a supervised capacity.

According to the decision, Transamerican and Jensen violated or aided and abetted violations of the securities registration, antifraud and credit-extension provisions of the securities laws. In particular, they between July 1969 and March 1972 offered and sold common stock of Com Tel, Inc. when no registration statement had been filed or was in effect and from January 1971 to February 1972, in the purchase and sale of common stock of New Era Industries, Inc. and Western Oil Development Company, artificially influenced the market price for such stocks and effected transactions involving no change in beneficial interests of which respondents knew would be cancelled out by opposite purchase or sale orders.

The Commission's decision was made under an offer of settlement in which Transamerican and Jensen, without admitting or denying the charges, consented to the findings and the sanctions. (Rel. 34-10497)

SCHMIDT, ELLIS & ASSOCIATES, PRESIDENT SANCTIONED. An order has been issued revoking the broker-dealer registration of Schmidt, Ellis & Associates, Inc. of Oak Park, Michigan, and suspending its president, Harold W. Schmidt from association with any broker or dealer for 90 days, after which he may be so associated only in a non-supervisory capacity and upon a showing of adequate supervision.

The action was based on findings that the firm, aided and abetted by Schmidt, failed to comply with record-keeping, financial reporting and net capital requirements of the securities laws.

The order was issued pursuant to an offer of settlement in which the respondents, without admitting or denying the charge, consented to the above findings and sanctions. (Rel. 34-10500)

NICHOLAS LEWNES CENSURED. A decision has been issued censuring Nicholas Lewnes, Brooklyn, New York, former registered representative employed by a broker-dealer providing that he may not become a supervisor of the back-office of a broker-dealer firm without obtaining the prior permission of the Commission.

According to the decision, Lewnes violated the credit-extension provisions of the securities laws and in 1969 was convicted thereof and fined a nominal amount.

The order was based upon an offer of settlement in which respondent, without admitting or denying the charges against him, consented to the findings and the indicated sanctions. (Rel. 34-10501)

FIRST NEW YORK EQUITIES REVOKED, WEISBERGER BARRED. An order has been issued revoking the broker-dealer registration of Samuel Weisberger, doing business as First New York Equities Co., of New York, and barring Weisberger from association with any broker-dealer, investment adviser or investment company. After one year, Weisberger may apply for permission to re-enter the securities industry in a non-supervisory and non-proprietary capacity.

The sanctions imposed were based on findings, pursuant to Weisberger's consent in an offer of settlement, that, during the period March 1971 to October 1972, he violated registration and antifraud provisions of the securities laws in the offer and sale of common stock of Associated Mobile Schools and Modern Training Centers, Inc. ("AMS"). The Commission found that Weisberger failed to disclose to customers that he had artificially inflated the price of AMS stock and that AMS was entirely dependent on the services of a certain individual whose absence would have a materially adverse effect on the company's intended business. In addition, it found that, contrary to the offering circular filed with the Commission, Weisberger did not intend to make a bona fide public offering of 100,000 shares of AMS stock, and that he utilized nominee accounts in the distribution of the stock. The Commission also found that Weisberger failed to comply with net capital, credit extension, record-keeping and reporting requirements. The findings with respect to AMS do not affect the pending Commission administrative proceedings involving the Regulation A exemption from registration of AMS' public offering.

Weisberger, without admitting or denying the charges against him, consented to the above findings and the indicated sanctions. (Rel. 34-10504)













