

FOR RELEASE Friday, March 1, 1963

SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
New York, New York

Litigation Release No. 2527

Llewellyn P. Young, Administrator of the New York Regional Office of the Securities and Exchange Commission, announced the filing of a complaint on March 1, 1963, in the United States District Court for the Southern District of New York, Manhattan, New York, to enjoin General Securities Company, Incorporated, a broker-dealer firm with offices at 101 West 57th Street, New York, New York, Nicholas J. Papadakos, 101 West 57th Street, New York, New York, its president and treasurer, and Dushka Howarth, 226 East 70th Street, New York, New York, its secretary, from violating the net capital and bookkeeping provisions of the Securities Exchange Act of 1934 and the rules thereunder.

United States District Judge A. O. Dawson signed an order requiring the defendants to show cause at 10:00 A.M. on March 5, 1963, at Room 506, United States Courthouse, Manhattan, New York, why, pending final determination of the Commission's action, the defendants should not be preliminarily enjoined from continuing the violations alleged in the Commission's complaint.

Pending the hearing on the Commission's motion for preliminary injunction, Judge Dawson temporarily restrained the defendants from further violations of the net capital and bookkeeping rules.

The complaint and affidavits filed in support of the Commission's motion for preliminary injunction state, among other things, that as of February 11, 1963, defendant General Securities Company, Incorporated required additional capital of \$88,126.02 in order to be in compliance with the Commission's net capital rule. The affidavit also stated that defendant broker-dealer had violated the Commission's net capital rule on several prior occasions.

TO:
FROM:
RE:

Additionally, the papers filed by the Commission charge that certain books and records of defendant broker-dealer were not kept in the manner required by the Commission's bookkeeping rules.

The Commission is represented in the action by Mr. Young and David Marcus, Attorney of the New York Regional Office. The investigation leading to the filing of the Commission's complaint was conducted under the supervision of Mr. Young by James R. Crosby, Securities Investigator.