

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

September 20, 1965

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In the Matter of	:	
	:	
NATHAN SALINGER	:	FINDINGS,
doing business as	:	OPINION
	:	AND ORDER
SALINGER INVESTMENT CO.	:	SUSPENDING
P. O. Box 912, R. 6	:	BROKER-DEALER
Mahopac, New York	:	REGISTRATION
	:	AND MEMBERSHIP
File No. 8-10740	:	IN REGISTERED
	:	SECURITIES
Securities Exchange Act of 1934 -	:	ASSOCIATION
Sections 15(b) and 15A	:	

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In this proceeding against Nathan Salinger, doing business as Salinger Investment Co., a registered broker-dealer, it is alleged that he failed to file a report of his financial condition for 1963 as required by Section 17(a) of the Securities Exchange Act of 1934 ("Act") and Rule 17 CFR 240.17a-5 thereunder.

In a previous proceeding we found that registrant had failed to file his initial report of financial condition for the year 1962, and suspended him from membership in the National Association of Securities Dealers, Inc. ("NASD") for a period of 10 days. Securities Exchange Act Release No. 7286 (April 3, 1964).

While the previous proceedings were pending, registrant's 1963 report became due. In August 1963 he filed a balance sheet as of July 31, 1963, which, however, failed to meet the requirements of the Rule because it was not certified and was deficient in certain other respects. Notices were sent to registrant by our New York Regional Office in November 1963 and March 1964, calling his attention to his failure to file a properly certified report for 1963. Thereafter these proceedings were begun in August 1964 and subsequently the hearing examiner filed an initial decision concluding that registrant's registration should be revoked and that he should be expelled from the NASD.

We granted review as to the question of what remedial action if any is appropriate or necessary in the public interest, the Division of Trading and Markets filed a brief, and we heard oral argument.

Registrant points to the fact that he received no notices regarding his 1963 report following our order in April 1964 imposing the 10-day suspension, and states that he was under the impression that that order disposed of all the issues with respect to both the 1962 and 1963 filings. He contends that he attempted to comply with the filing requirements in 1963, even though his financial statements for that year were not complete and in proper form, that his business as a broker-dealer is limited to soliciting orders for mutual fund shares, that he promptly transmits all money to the issuer of such shares, and that he

did not willfully violate the Rule. He has filed a certified report of financial condition for 1964.

In view of the facts that the prior proceedings were clearly limited to the 1962 report and that registrant received notices calling his attention to the necessity of filing a report for 1963 and to the defects in the documents which he filed in August 1963, registrant should not have been misled by the sequence of events. We conclude that registrant willfully violated the reporting provisions. In view of all the circumstances, however, including registrant's possible former misapprehension as to the reporting requirements, and the fact that he apparently now understands such requirements and is currently in compliance, we find that the public interest will be adequately served by suspending his registration as a broker-dealer and his membership in the NASD for a period of four months, and we modify the initial decision to that extent.

Although we have concluded that a suspension is appropriate in this case because of the peculiar circumstances involved, we reiterate our prior holdings as to the importance of the reporting requirements. 1/ Any further neglect by registrant to comply therewith would warrant an order of revocation.

Accordingly, IT IS ORDERED that the registration as a broker-dealer of Nathan Salinger, doing business as Salinger Investment Co., and his membership in the National Association of Securities Dealers, Inc. be, and they hereby are, suspended for a period of four months from October 1, 1965 to January 31, 1966, inclusive.

By the Commission (Chairman COHEN and Commissioners WOODSIDE, OWENS, BUDGE and WHEAT).

Orval L. DuBois  
Secretary

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1/ E.g., John J. Murphy, 38 S.E.C. 430, 432 (1958).