ADMINISTRATIVE PROCEEDING
FILE NO. 3-3870

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of	
GOFFE-CARKENER-BLACKFORD SECURITIES CORP.	
(8-9562)	
A. VINCENT BLACKFORD	

INITIAL DECISION

Warren E. Blair
Chief Administrative Law Judge

Washington, D.C.
October 1, 1973

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APPEARANCES: William D. Goldsberry and Joan M. Fleming, of the Chicago Regional Office of the Commission, for the Division of Enforcement.

Clem W. Fairchild and David R. Dill, of Linde Thomson Van Dyke Fairchild & Langworthy, for Goffe-Carkener-Blackford Securities Corp., and A. Vincent Blackford.

BEFORE: Warren E. Blair, Chief Administrative Law Judge

These public proceedings were instituted by an order of the Commission dated August 24, 1972 ("Order"), pursuant to Sections 15(b) and 15A of the Securities Exchange Act of 1934 ("Exchange Act") to determine whether the respondents wilfully violated and wilfully aided and abetted violations of Sections 15(b), 15(c), and 17(a) of the Exchange Act and Rules 15b3-1, 15c3-1, 17a-3, and 17a-11 thereunder, whether Goffe-Carkener-Blackford Securities Corp. ("registrant") and A. Vincent Blackford ("Blackford") failed to adequately supervise to prevent the alleged violations, and whether remedial action is appropriate in the public interest.

In substance, the Division of Enforcement ("Division") alleged that during a period from about August 31, 1971 to August 24, 1972 respondents wilfully violated and wilfully aided and abetted violations of Section 15(c)(3) of the Exchange Act and Rule 15c3-1 ("Net Capital Rule") thereunder by effecting securities transactions while registrant's net capital as computed under that rule was less than required by the rule, and that respondents failed to give the Commission telegraphic notice of registrant's net capital deficiency and to file the reports required by Rule 17a-11. The Division further alleged that respondents failed to promptly file appropriate amendments to registrant's Form BD as required by Rule 15b3-1, and to make and keep current as specified by Rule 17a-3 a properly executed questionnaire or application for employment for each of registrant's associated persons. At the commencement of the hearing, a motion by the Division to amend the Order to charge additional violations of the Net Capital

Rule over the period of about November 30, 1972 to May 15, 1973 was granted.

Both respondents appeared through counsel who participated throughout the hearing. As part of the post-hearing procedures, successive filings of proposed findings, conclusions, and supporting briefs were specified. Timely filings thereof were made by the parties.

The findings and conclusions herein are based upon the preponderance of the evidence as determined from the record and upon observation of the witnesses.

Respondents

Registrant, a Missouri corporation with its principal place of business in Kansas City, Missouri, was formed by Blackford in 1960 under the name of Blackford & Co., Inc. Until January, 1961, when Blackford & Co., Inc. became registered as a broker-dealer under the Exchange Act and a member of the National Association of Securities Dealers, Inc. ("NASD"), its business was limited to dealing in municipal bonds. In November, 1964 Blackford purchased the controlling interest in Goffe and Carkener, Inc. ("G&C"), a commodities and securities firm which was a member of the Midwest Stock Exchange ("MSE") and of several commodities exchanges. Blackford, who was sole shareholder as well as president of Blackford & Co., Inc., then made Blackford & Co., Inc., a wholly-owned subsidiary of G&C by contributing his Blackford & Co. stock to G&C.

A few months later in 1965, Blackford & Co., Inc. was separated from G&C, and after recapitalization assumed registrant's present name. At the same time, all of the securities business and accounts which had been in G&C and Blackford & Co., Inc. were placed in registrant, leaving G&C to carry on as a commodities firm.

While a separation of the securities and commodities businesses was accomplished, a close affiliation of the two companies was retained. Under its arrangements with G&C, registrant shared offices with G&C and made use of about 40 G&C employees to carry on its securities business until on or about May 1, 1972. Presently registrant has six salaried employees in its offices who are registered representatives and about 24 registered representatives employed on a commission basis who work out of their own places of business in and outside of Kansas City.

Blackford became executive vice-president and a director of registrant in 1965, and has been its president and the majority holder of registrant's voting stock since 1967. During the period from August, 1971 until March, 1972 Blackford was also president and a director of G&C and held about 30% of its stock.

Violations By Respondents

Net Capital Rule

In February, 1972, an examiner from the Chicago Regional Office ("CRO") of the Commission made an inspection of registrant's books and records relating to the period from about June 30, 1971 through January 31, 1972. Following that inspection, computations of the registrant's net

capital for months ending August, 1971 through January 31, 1972 were made by the CRO and schedules were prepared by its staff to reflect the results of those computations. According to those schedules, excerpts of which are set forth below in Table I, registrant had a net capital deficit in each of those months with additional capital of approximately $12,000 to $26,000 needed by registrant during that period to come into compliance with the Net Capital Rule.

Table I

Date	Aggregate Indebtedness	Capital Required for Aggregate Indebtedness	Adjusted Net Capital (Deficit)	Additional Capital Required
8-31-71	$284,972.64	$14,248.63	$(1,633.59)	$15,882.22
9-30-71	270,368.43	13,518.42	(2,793.59)	16,312.01
10-31-71	244,427.38	12,221.37	(4,786.24)	17,007.61
11-30-71	228,740.59	11,437.03	(15,264.51)	26,701.54
12-31-71	247,186.80	12,359.34	(7,112.30)	19,471.64
1-31-72	220,227.63	11,011.38	(1,203.30)	12,214.68

The CRO again had occasion to compute registrant's net capital position upon receipt in January, 1973 of registrant's annual report which had been filed pursuant to Rule 17a-5 under the Exchange Act. After analysis of that report, which reflected the registrant's financial condition as of November 30, 1972, the CRO concluded that registrant had an adjusted net capital deficiency of $2,645 and so advised registrant in February, 1973. Additionally, the CRO requested registrant's financial statement for December, 1972 and that statement upon receipt was found by the CRO to reflect a continuation of registrant's net capital difficulties. As determined by the CRO, registrant's net capital

positions as of November 30 and December 31, 1972 are shown in Table II.

Table II

Date	Aggregate Indebtedness	Capital Required for Aggregate Indebtedness	Adjusted Net Capital (Deficit)	Additional Capital Required
11-30-72	200,083.50	10,004.18	7,359.11	2,645.07
12-31-72	188,552.80	9,427.69	6,492.50	2,935.19

Respondents challenge the treatment that the CRO accorded four items on registrant's books, and deny that net capital violations occurred. Specifically, respondents criticize the interpretation that the CRO placed upon (1) a $25,000 loan to registrant by Central Enterprise, a company wholly-owned by Blackford, (2) a loan of $3,528.32 made by registrant to the Blackford & Co. Profit Sharing Trust, (3) bond interest represented by matured municipal bond coupons, and (4) accrued interest on municipal bonds in registrant's inventory.

Although respondents' last two contentions appear to have merit, it is concluded that registrant nonetheless did violate the Net Capital Rules as alleged by the Division. The record establishes that the CRO treatments of the Central Enterprise loan and of registrant's loan to the Blackford & Co. Profit Sharing Trust are entirely proper and that the CRO computations of registrant's net capital positions are otherwise correct excepting for the disallowance of the relatively minor amounts of matured bond interest and accrued interest on the bonds in registrant's inventory.

The facts relevant to the Central Enterprise loan are not in dispute. Registrant was a member of the Midwest Stock Exchange ("MSE") from May, 1967 until April, 1972 and subject to the net capital requirements of that exchange during its membership. In December, 1969 the MSE notified registrant of its need for additional capital, and Blackford discussed that problem with officials of MSE during the next two months. In February, 1970 Blackford decided to meet the MSE demands by making a personal subordinated loan of $25,000 to registrant and by having Central Enterprise also make a $25,000 loan to registrant. Registrant secured the latter loan with 1,500 shares of G&C stock that it held and for which no independent market existed.

During the remainder of the time that registrant was an MSE member, the Central Enterprise loan was not questioned by the exchange, but in making the computations following its examination of registrant's books in February, 1972, the CRO decided that the loan was not adequately collateralized and that the 1,500 shares of G&C stock were not readily convertible into cash. The effect of those determinations was to add $25,000 to registrant's aggregate indebtedness and to attribute no value for asset purposes to the 1,500 shares of G&C stock carried on registrant's books at $35,000.

Under the Net Capital Rule an indebtedness adequately collateralized by securities owned by the broker or dealer is not included in determining the "aggregate indebtedness" of that broker or dealer.[1/] To be

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1/ Rule 15c3-1(c)(1)(A).

"adequately collateralized"within the meaning of the rule requires that the difference between the amount of the indebtedness and the market value of the collateral must be "sufficient to make the loan acceptable as a fully secured loan to banks making comparable loans to brokers or dealers in the community." 2/ It is manifest from the record that the Central Enterprise loan did not meet the criteria of the rule for the purpose of being deemed "adequately collateralized" and therefore must be considered as part of registrant's aggregate indebtedness. Not only is there an absence of evidence that brokers or dealers in registrant's community were obtaining fully secured bank loans which had collateral comparable to that securing the Central Enterprise loan, but it is quite clear from the record that the loan in question must be attributed to Blackford's common control of Central Enterprise and registrant and that the amount of the Central Enterprise loan in no way indicated the appropriate value to be assigned to the pledged stock.

The nature and circumstances of the Central Enterprise loan also require that in a computation of registrant's net capital under the rule no value be admitted for the 1,500 G&C shares which collateralized the loan. The term "net capital" for purposes of the Net Capital Rule requires that assets of a broker or dealer "which cannot be readily converted into cash (less any indebtedness secured thereby)" be deducted from the net worth of a broker or dealer. 3/ Since, as noted above, an

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2/ Rule 15c3-1(c)(6).

3/ Rule 15c3-1(c)(2)(B).

independent market did not exist for G&C stock, registrant's 1,500 shares of that stock cannot be considered an asset readily convertible into cash.[4/] Further, that stock cannot be regarded as securing an indebtedness within the meaning of the rule in light of the fact that the indebtedness was not incurred as a result of "arms-length" negotiations between registrant and Central Enterprise. The intent of the rule is to recognize value of securities through means other than an independent market where such value can be established. As the rule recognizes, this may be accomplished through using securities not otherwise readily marketable as collateral for a loan, the theory being that the lender's acceptance of the collateral evidences the value thereof at least to the extent that the collateral secures the indebtedness. "In effect, the asset has thus actually been partly converted into cash."[5/] But if a secured loan has not been negotiated at "arms-length" between lender and borrower, there can be no assurance that the collateral has any value whatsoever and, absent other reliable evidence of its worth, no value can be assigned to such collateral for purposes of determining net capital under the rule.

Respondents argue that the record reflects that the relationship of Blackford to G&C, Central Enterprise, and registrant was known to the MSE long before and to the NASD and the CRO some time before these proceedings were instituted, and that none of these regulatory bodies

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4/ Cf. John W. Yeaman, Inc., Securities Exchange Act Release No. 7527 (1965).

5/ Ezra Weiss, Registration and Regulation of Brokers and Dealers, 59 (1965).

had raised a question heretofore about the propriety of registrant treating the Central Enterprise loan as being "adequately collateralized." They contend that "it seems most unreasonable that in February of 1972 the S.E.C. should bring charges based solely on this transaction."

Aside from the fact that the credible evidence does not establish the accuracy of respondents' assertions in this regard, they are found to be irrelevant on the question of whether registrant violated the Net Capital Rule. The burden of responsibility for compliance with the rule is upon the broker-dealer and cannot be shifted to others.[6/] At best, were it true that the MSE, NASD, and the CRO were fully aware of the relationships involved in the Central Enterprise loan and uncritical, those circumstances could only be viewed as mitigation of the violations.[7/]

Similarly, respondents' view that it is harsh to punish them for continuing to treat the Central Enterprise loan as fully secured when the MSE allowed it to be so carried on registrant's books for over a year is without merit. The record indicates that the only reason that the loan went unquestioned by the MSE was a lack of awareness of an MSE staff member of Blackford's common relationship with registrant, G&C and Central Enterprise. True, the MSE may well have had reason to suspect the existence of that relationship, but that is far different from positive knowledge and agreement by the exchange to accept the Central Enterprise loan for net capital purposes. Further, as pointed

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6/ Don D. Anderson & Co., Inc., Securities Exchange Act Release No. 8477 (1968).

7/ It may also be noted in passing that respondents' view that these proceedings are "based solely on" the Central Enterprise loan ignores the fact that the CRO's treatment of other transactions not now challenged by respondents was also a consideration.

out by the Division, Blackford knew that the MSE had earlier refused to give value to bonds owned by registrant where those bonds had no market and had been pledged against a loan to registrant by G&C, its affiliate. Under the circumstances Blackford must be regarded as being on notice that the MSE would not view the Central Enterprise loan in a more favorable light.

In arguing that the 1,500 shares of G&C stock was not readily convertible into cash, the Division gave as one reason the fact that registrant's auditors had written its value down to zero. Respondents take exception to that approach, arguing that the auditor's valuation was not an attempt to evaluate or price the stock other than in an accounting sense. It is concluded that the auditor's write-off could be given weight in assessing the worth of G&C stock were an evaluation necessary. But that determination need not be made since there is no dispute concerning the lack of an independent market for G&C stock. "Clear proof of ready convertibility into cash is required to overcome the absence of a professional market." [8/] Since the value of a security does not offer the required proof of its liquidity, [9/] respondents would be in no better position were it found that G&C stock had value regardless of the auditor's treatment of that stock in registrant's financial statements.

Respondents' contention that the CRO improperly refused to recognize the Comet Island loan as a secured loan in the computation

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8/ George A. Brown d/b/a Brown and Company, Securities Exchange Act Release No. 8160 (1967).

9/ Cf. John W. Yeaman, Inc., supra.

of registrant's net capital at November 30 and December 31, 1972 cannot be accepted. That loan in the amount of $3,528.32 as of November 30, 1972 and $3,283.20 as of December 31, 1972 was recorded on registrant's books as "Advance to Blackford and Company Profit Sharing Trust" ("Profit Sharing Trust") and was personally guaranteed by Blackford, who deposited 275 shares of Comet Island stock with registrant as collateral for the guarantee.

Respondents admit that the Comet Island stock was not readily convertible into cash, but insist that registrant had complied in spirit with the requirements that would entitle value to be attributed to that stock for net capital purposes. To this end, they rely upon a letter dated November 1, 1972 from the Bank of LaBelle of LaBelle, Missouri expressing the bank's willingness to loan up to $20 per share on 275 shares of Comet Island stock for a 12-month period at 7% interest. It appears, however, that the bank would also have been willing to make the same loan to registrant without collateral on the strength of the bank president's acquaintance with Blackford.

The flaw in respondents' argument is a misplaced reliance upon the bank's letter to establish that registrant's loan to the Profit Sharing Trust was adequately secured. In fact, a loan on the basis of the Comet Island stock was not actually made by the bank, and it is clear that if the bank had made a loan to registrant the bank would have been placing its money at risk in reliance upon Blackford rather than because it attributed value to the Comet Island stock. Accordingly, the latter cannot be viewed as warrant for treating registrant's advance to the

Profit Sharing Trust as other than an unsecured advance or loan which must be deducted from registrant's net capital as computed in accordance with the Net Capital Rule.[10/]

In computing registrant's net capital, the CRO refused to allow value to assets reflected on registrant's books as "Accounts Receivable - Municipalities" and "Accrued Interest on Bonds." The respondents' position is that the CRO computation was an error in that the former account covered matured coupons on municipal bonds which were readily credited to registrant's bank account upon deposit, and that the latter account represented accrued interest on bonds which had a ready market and which were customarily sold in that market at a price which included payment of the accrued interest on the sold bonds.

While the Division made no proposed findings regarding the treatment of the coupons or accrued interest and did not reply to respondents' arguments on those questions, the testimony of a CRO staff member and of registrant's former treasurer establish that these items are includible as assets readily convertible into cash.

The CRO disallowed the "Accounts Receivable - Municipalities" because it did not have evidence that the coupons had matured and were immediately collectible. The testimony of registrant's former treasurer indicates that the bank with which registrant did business accepted the coupons in question as equivalent to cash.

10/ Rule 15c3-1(c)(2)(B).

With respect to "Accrued Interest on Bonds" the record reflects that the bonds in question had a ready independent market and that the bonds were traded in that market with interest, indicating that the market price of the bonds included payment of the accrued interest. The CRO nonetheless refused to give value to the accrued interest because of a position taken by the Commission's staff that such interest is not readily convertible into cash. In support of that position, the CRO staff member testified that he also relied upon a published reply that the then Division of Trading and Markets had given in 1971 to an inquiry regarding "whether interest receivable earned on 'exempted' bonds would be 'readily convertible into cash' for purposes of determining net capital pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934." The Division's response, which made no reference to the underlying reasons for its position,was:

> Interest receivable which has been earned on exempted securities,but which has not been actually received, is not considered to be an asset readily convertible into cash, and as such, may not be included in the computation of net capital under Rule 15c3-1. Thus, for net capital purposes it is treated in the same manner as any other accrued unsecured receivable. 11/

To the extent that the Division adheres to that view in a situation where, as here, not only the bond but the accrued interest can be readily converted into cash by sale in an independent market, its position cannot be accepted.

11/ Safeco Securities, Inc., CCH Fed. Sec. L. Rep. ¶78,440, at 80,966 (1971).

As indicated above, the record establishes that regardless of the treatment accorded to the coupons and accrued interest on registrant's books, registrant was out of compliance with the requirements of the Net Capital Rule as alleged by the Division. Inasmuch as the record also shows that registrant was effecting securities transactions during the time that it failed to have the required net capital, it is concluded that registrant, wilfully aided and abetted by Blackford, wilfully violated Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder.

Rule 17a-11

Under Rule 17a-11, the so-called "early warning rule," registrant was required to give telegraphic notice to the Commission when its net capital became less than that required by the Net Capital Rule, and was required to file a report setting forth its financial condition within 24 hours after its net capital deficiency occurred. 12/ Registrant was also required under the rule to file a report on Form X-17a-11 within 15 days after the end of the months in which a computation made and recorded pursuant to Rule 17a-3(a)(11) showed its aggregate indebtedness to be in excess of 1,200 percentum of its net capital or showed its total net capital to be less than 120 percentum of the minimum net capital required of it. 13/

Respondents do not dispute the fact that no notice or filing was made by registrant as required by the rule. They contend, however, that

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12/ Rule 17a-11(a)(1), (a)(2), and (e).

13/ Rule 17a-11(b).

since registrant's computations for the periods in question did not disclose a deficit, there was no reason to give the notice required by Rule 17a-11.

The interpretation respondents place upon Rule 17a-11 is much too narrow. To read the rule to mean that an erroneous computation by a broker or dealer would excuse compliance with the notice and reporting requirements would defeat the purpose of the rule. Moreover, the rule explicitly provides that the computation under subparagraph (b) of the rule be the one made and recorded pursuant to the requirements of Rule 17a-3(a)(11),[14/] one of the provisions of the bookkeeping rules. It is that same computation that is implicit in the notice and reporting requirements of subparagraph (a) of Rule 17a-11. Since registrant's computation of its net capital was not in accordance with the Net Capital Rule, it was not the computation prescribed by Rule 17a-3(a)(11), and cannot serve to excuse registrant from compliance with Rule 17a-11.

In view of the foregoing, it is found that registrant, wilfully aided and abetted by Blackford, wilfully violated Section 17(a) of the Exchange Act and Rule 17a-11 thereunder.

Rule 17a-3

Registrant was required by the provisions of Rule 17a-3(a)(12) to make and keep current a properly executed questionnaire or application for employment relating to each of its associated persons. Since the

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14/ Rule 17a-3(a)(11) requires that brokers or dealers subject to the rule make and keep current "a record of the computation of aggregate indebtedness and net capital, as of the trial balance date, pursuant to Rule 15c3-1," the Net Capital Rule.

record discloses that registrant did not make or keep current the requisite document for one of its salesmen, Glen Jones, who was an "associated person" of registrant within the meaning of Rule 17a-3, it is concluded that registrant, wilfully aided and abetted by Blackford, wilfully violated Section 17(a) of the Exchange Act and Rule 17a-3 thereunder.

Rule 15b3-1

Rule 15b3-1 requires a registered broker-dealer to "promptly file an amendment on Form BD correcting" information in its application for registration as a broker-dealer or in any amendment thereto when any of the information set forth in its application or previous amendments thereto becomes inaccurate. The record establishes that registrant failed until June 8, 1972 to file a Form BD amendment that disclosed registrant had terminated its status as a member organization of the MSE, that Hymie J. Sosland had resigned his position as registrant's senior vice-president and director, that Gordan Ingram had sold his holdings of registrant's stock, and that Howard G. Mosby was no longer an officer of registrant. These events, which registrant was required by Rule 15b3-1 to disclose promptly, occurred more than six months to over a year prior to June 8, 1972, the filing date of registrant's Form BD amendment.

Inasmuch as there is no justification in the record for registrant's delay in filing its Form BD amendment, registrant must be found to have failed to promptly file the required amendment. It is therefore

concluded that registrant, wilfully aided and abetted by Blackford, wilfully violated Section 15(b) of the Exchange Act and Rule 15b3-1 thereunder.

Failure to Supervise

The Division argues that registrant and Blackford should also be found to have failed to properly supervise the operations of registrant with a view to preventing the foregoing violations, claiming that the violations occurred as a direct result of their failure to supervise. The Division's argument in this regard cannot be accepted.

Registrant and Blackford were active and directly responsible for the violations in question. Blackford was the guiding hand in the transactions that caused registrant's net capital difficulties, and the one who failed to take steps to assure compliance with the bookkeeping and broker-dealer registration rules. Under circumstances in which a branch office manager of a securities firm was found to have played an active role in his office's involvement and in his subordinates' activities, the Commission refused to find that the manager failed to exercise proper supervision, saying:

> Failure of supervision -- which may result in derivative responsibility for the misconduct of others -- connotes an inattention to supervisory responsibilities, a failure to learn of improprieties when diligent application of supervisory procedures would have uncovered them. That is not the situation here. In view of [the branch office manager's] active and central role in the whole matter, affirmance of the finding of failure to supervise would entail a confusion of concepts. 15/

15/ Anthony J. Amato, Securities Exchange Act Release No. 10265 (1973).

That ruling appears equally applicable to and dispositive of the supervision issue in this matter. Accordingly, the charges that registrant and Blackford failed to properly supervise are dismissed.

Public Interest

Respondents' wilful violations require consideration of whether remedial action is necessary in the public interest. In this connection, the Division considers respondents' conduct to be such as requires a suspension of registrant's registration as a broker-dealer for 90 days and a bar against Blackford's association with any broker-dealer, with the right to apply after one year for association with a broker-dealer in a supervised capacity. Respondents view the Division's proposal as too severe in the light of the absence of any customer loss and the fact that in their view "[t]he keystone to the entire controversy between Blackford, the Registrant and the Commission is the Central Enterprise loan."

Having given careful consideration to the evidence bearing upon the public interest and to that tending to mitigate the violations, including the absence of fraud violations and absence of loss to customers of registrant, it is concluded that the registration of the registrant should be revoked and that Blackford should be barred from association with any broker or dealer. However, it also appears appropriate to allow Blackford to apply for reentry into the securities business in a supervised capacity after a period of one year.

If in fact the Central Enterprise loan were the basic or "keystone"

issue in these proceedings, the sanctions imposed would be tempered considerably. But the Central Enterprise loan is only one facet of these proceedings, the one which respondents chose to emphasize. The record also reveals that Blackford did not hesitate in connection with another transaction to deplete registrant's inventory and subject registrant to net capital difficulties for the purpose of salvaging his commodities firm, nor have any scruple about subjecting registrant to further net capital problems by causing it to make an advance to a trust that he controlled. These transactions evidence a propensity by Blackford to act in his own interest regardless of the risks to which registrant's customers might be exposed. The fact that customers actually suffered no loss was fortuitous and in no way lessens the seriousness of the abuse to which those customers were subjected by Blackford's manipulations of registrant's assets.16/ Nor does the fact that Blackford could have arranged to subordinate the Central Enterprise loan mitigate the offenses, for he did not do so, choosing rather to let registrant's customers bear the risk of registrant's inadequate capitalization.

Moreover, the record discloses that registrant has a history of net capital difficulties which required disciplinary action by the MSE on two occasions in 1970. Further, registrant's predecessor, also controlled by Blackford, was suspended in 1962 from membership in the NASD for 90 days as a result of charges brought by the NASD in

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16/ M.V. Gray Investments, Inc., Securities Exchange Act Release No. 9180 (1971).

connection with the predecessor's underwriting activities.[17/]

Accordingly, IT IS ORDERED that the registration of Goffe-Carkener-Blackford Securities Corp. as a broker-dealer is revoked, and that A. Vincent Blackford is barred from association with any broker or dealer, except that after one year from the effective date of this order A. Vincent Blackford may apply to the Commission for permission to become associated with a broker-dealer in a position in which he will receive adequate supervision.

This order shall become effective in accordance with and subject to the provisions of Rule 17(f) of the Rules of Practice.

Pursuant to Rule 17(f) of the Rules of Practice, this initial decision shall become the final decision of the Commission as to each party who has not, within fifteen days after service of this initial decision upon him, filed a petition for review of this initial decision pursuant to Rule 17(b), unless the Commission, pursuant to Rule 17(c), determines on its own initiative to review this initial decision as to him. If a party timely files a petition for review, or the Commission takes action to review as to a party, the initial decision shall not become final with respect to that party.

Warren E. Blair
Chief Administrative Law Judge

Washington, D.C.
October 1, 1973

17/ All proposed findings and conclusions submitted by the parties have been considered, as have their contentions. To the extent such proposals and contentions are consistent with this initial decision decision, they are accepted.