

ADMINISTRATIVE PROCEEDING  
FILE NO. 3-4233

FILED

JAN 3 1975

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES & EXCHANGE COMMISSION

---

In the Matter of :  
WALSTON & CO., INC. (8-4824) :  
RONALD W. DUNDON :  
RICHARD L. FELDMAN :  
RAY K. RABIN :

---

INITIAL DECISION

Washington, D.C.  
January 3, 1975

Ralph Hunter Tracy  
Administrative Law Judge

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

---

In the Matter of :  
WALSTON & CO., INC. (8-4824) :  
RONALD W. DUNDON : INITIAL DECISION  
RICHARD L. FELDMAN :  
RAY F. RABIN :  
:

---

APPEARANCES: Joseph L. Grant and Barry D. Goldman, Attorneys,  
Chicago Regional Office for the Division of  
Enforcement.

Edwin H. Conger, Attorney for Ronald W. Dundon

BEFORE: Ralph Hunter Tracy, Administrative Law Judge

This is a public proceeding instituted by Commission order (Order) of March 27, 1973, pursuant to Sections 15(b), 15A and 19(a)(3) of the Securities Exchange Act of 1934 (Exchange Act) to determine whether the above-named respondents committed certain violations of the Securities Act of 1933 (Securities Act) and the Exchange Act and regulations thereunder, as alleged by the Division of Enforcement (Division) and the remedial action, if any, that might be appropriate in the public interest.

Between August 23 and November 29, 1973, the Commission accepted offers of settlement from all of the respondents except Ronald W. Dundon (Dundon), so that this proceeding has been determined as to them.<sup>1/</sup> Therefore, this initial decision is applicable only to the remaining respondent Dundon although, because of the nature of the charges and the factual circumstances, it will be necessary to make findings concerning other respondents.

The Order alleged, in substance, that during the period from on or about January 1, 1969 to on or about March 6, 1969, Walston & Co., Inc., (Registrant), Ray K. Rabin (Rabin), Richard L. Feldman (Feldman) and Dundon, singly and in concert, willfully violated and willfully aided and abetted violations of Section 5(c) of the Securities Act in the sale of ~~Chemtrust~~<sup>Chemtrust</sup> Industries (CTI) common stock when no registration statement was in effect; that during the period from on or about April 23, 1973 to on or about July 20, 1973, Registrant willfully violated Section 5(b) of

---

<sup>1/</sup> The offers of settlement were accepted by the Commission in Securities Exchange Act Releases as follows: Ray K. Rabin, 10358, August 23, 1973; Walston & Co., Inc., 10387, September 14, 1973; Richard L. Feldman, 10530, November 29, 1973.

the Securities Act by causing sales to be made through the mails or by means of interstate commerce in the shares of CTI when said shares were not accompanied or preceded by a prospectus that met the requirements of Section 10(b) of the Securities Act; that during the period from on or about January 1, 1969 to on or about September 30, 1969, Registrant, Rabin, Feldman and Dundon, singly and in concert, willfully violated and willfully aided and abetted violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with the sale of the common stock of CTI by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading; and that Registrant, Feldman and Dundon failed reasonably to supervise, with a view to preventing the violations alleged herein, persons who were subject to their supervision and who committed such violations.

Respondent Dundon was represented by counsel throughout the proceeding and proposed findings of fact and conclusions of law and supporting briefs were filed 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.

Dundon has a B.A. degree from Depauw University, Greencastle, Indiana, and has, also, taken business and law courses at the University of Wisconsin. He was first employed by Walston on November 15, 1963, as a sales trainee, subsequently becoming a registered representative and then progressing

to sales manager of the Chicago Jackson office on June 1, 1967. Upon becoming sales manager he went from a commission to a salary basis of compensation and remained on salary thereafter. On November 6, 1967, he was named manager of the Chicago Jackson office, continuing in that capacity until May 16, 1968, when he was promoted to Assistant Manager of Walston's Midwestern Division. On March 27, 1969, he was named Division Manager of Walston's Midwest and Central Southwestern Division.

The violations charged to Dundon are based primarily on the activities of Rabin and involve the offer and sale of various securities, principally Chemtrust Industries, Inc., (CTI), while he was employed at Walston as a trainee. These sales allegedly were made by Rabin prior to the time he became licensed and with the knowledge, consent and participation of Dundon.

In connection with these offers and sales Rabin made numerous misrepresentations of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. In addition, he solicited offers and made sales of CTI when no registration was in effect and later, when a registration was in effect, he made sales of CTI shares through the mails not accompanied or preceded by a prospectus. Rabin has admitted to all of these activities and has implicated Dundon.

Dundon denies that he had knowledge of Rabin's activities; that he authorized and encouraged him to make such sales; that he supplied the information concerning CTI which Rabin passed on to his clients and upon

which they relied; that he compensated Rabin for such sales while Rabin was unlicensed as a registered representative; and that he was responsible in any manner for Rabin's activities.

Rabin is a native of Portland, Oregon, where he was raised by his uncle, Leon Korn, (Korn) a commodities speculator of many years experience and a non-clearing member of the Chicago Board of Trade. Korn had an arrangement with the Chicago office of Dean Witter & Co. to clear commodities transactions for him and, also, was acquainted with several commodities traders in Chicago. Through Korn's connections Rabin, in the latter part of 1968, was able to secure employment with Douglas Securities in Chicago with the intent of becoming a licensed commodities broker. At that time Douglas Securities was discussing a merger with ANCO, a commodities firm. Rabin was on a salary of approximately \$1,000 a month at Douglas but when the merger discussions broke off around November 1968, Korn put him in touch with Frederick Schrader (Schrader) formerly a commodities solicitor at Dean Witter and then at Walston. Schrader arranged a meeting between Rabin and Dundon for the purpose of discussing employment of Rabin as a sales trainee to become an account executive at Walston.

Rabin testified that his first meeting with Dundon took place in December 1968, at the Union League Club, Chicago, Illinois, and resulted in his being employed by Walston on or about January 1, 1969. At this meeting Rabin told Dundon that through his own and his uncle's connections, particularly in Portland, he could bring considerable business to Walston. Rabin pointed out, also, that he had been making \$1,000 a month at Douglas

while the compensation offered him as a trainee at Walston would be only about \$700 a month. According to Rabin, in order to make up the difference, Dundon agreed to allow him to solicit accounts and sell securities while he was training to become a licensed securities salesman and that he would be compensated for such sales after he received his license.

Dundon has denied making any agreement with Rabin or having met with him at the Union League Club or anywhere else. He first testified at this hearing: "I never recollect taking him (Rabin) to lunch or dinner or breakfast or having a drink with him or having a cup of coffee with him." He, also, denied hiring Rabin, saying rather that Rabin was hired on the consensus of several Walston people who interviewed him.

Dundon's expense account for the month of December 1968 contains an item for dinner at the Union League Club, as follows:

December 17	Dinner with Ray Rabin, prospective AE	26.88
	Bar bill for above	10.38
	Discussed advantages of Walston	

In addition, Dundon's expense account records show that he had lunch with Rabin, Feldman and two other trainees on February 2, 1969; dinner with Rabin and Schrader on September 15, 1969; and lunch with Rabin on October 24, 1969.

On December 23, 1968, Rabin executed a Registered Representative Application Form for employment at Walston. This shows that he was interviewed by Dundon and employed by Dundon at a salary of \$750 a month as an on the job sales trainee, starting January 1, 1969.

Following the introduction of the above records into evidence Dundon was able to recall that he had indeed had meetings with Rabin and to

testify extensively as to the reason and purpose for these meetings, but he still denied the arrangement described by Rabin or that he hired him.

Rabin began working at Walston as a trainee on January 2, 1969, and was assigned a desk in the commodity trading room next to Schrader. Korn, who was in Chicago visiting Rabin, went to Walston to see Rabin and Schrader and while there was introduced to Dundon. A few days later Korn again visited the Walston office and was there for some time talking to Rabin and Schrader in the board room after the market had closed while waiting for Mrs. Rabin to join them. During this casual meeting Dundon came in and joined the conversation. According to the testimony of Rabin, Korn and Schrader the meeting lasted from 30 to 45 minutes and Dundon informed them about the forthcoming offering of CTI. Dundon insists that the meeting was only an exchange of pleasantries lasting no more than 2 or 3 minutes and that CTI was not mentioned.

Korn testified that they talked about the market generally and mention was made of Four Seasons Nursing Centers which had been originally underwritten by Walston, and which had had a secondary offering, also underwritten by Walston, only two <sup>weeks</sup> ~~weeks~~ previously, and there was discussion about the spectacular performance of Four Seasons. Dundon then said that there was another stock which Walston was going to bring out by the name of Chemtrust Industries (CTI); that it was in the process of being registered with the SEC; that he thought it would be very spectacular; that he knew the management people very well; that it would probably come out in April or May; that it would be in the \$11 range; that it could perform like Four Seasons and that it would be a very excellent investment. Korn



testified, further, that Dundon said he thought CTI would go to \$30, be split and listed on the American Stock Exchange (ASE); and eventually go to \$60. Dundon told Korn that he did not want him to disclose the name of the company but did not say anything about not mentioning the investment potential to his friends. Korn asked if he could get some shares at the offering and Dundon said he would take care of him. Rabin's testimony concerning this meeting was substantially the same as Korn's.

Schrader was called as a witness by Dundon and testified that Dundon did discuss CTI at the meeting and said that it was about to come out as an underwriting; that he knew some of the principals of the firm; and that it would be a worthwhile investment which should appreciate in value. Schrader could not recall anything else Dundon said but stated that it had not necessarily meant a great deal to him at the time as he had just been curious as to what business CTI was in. Schrader agreed with Rabin and Korn that the meeting lasted from 30 to 45 minutes.

The testimony of Rabin, Korn and Schrader that Dundon discussed CTI is supported by a letter, dated April 23, 1971, which Schrader wrote at the request of a Portland attorney who was representing Walston in a suit brought by CTI purchasers against Walston. In the letter Schrader recalled the meeting above and stated that Dundon "referred to Chemtrust with some enthusiasm, . . ."<sup>2/</sup>

Immediately upon his employment with Walston, Rabin began soliciting persons to open accounts with Walston. At about this time Korn

---

<sup>2/</sup> Division Exhibit 80.

entered into a commodities clearing agreement with Walston. Most of the people solicited by Rabin were relatives or friends of his or his uncle's who resided in and around Portland. Others resided in California, Washington, Nevada, Texas and Pennsylvania.

During his first months at Walston, Rabin did not have a production number as he was not licensed either as a securities representative or a commodities broker. He was assigned a production number <sup>3/</sup> around March 27, 1969 when he became registered as a commodities broker. During January his sales were put in Dundon's No. 67, then he was assigned to work with Feldman and in February, March and part of April he used Feldman's No. 20, then back to Dundon's No. 67 for May through July and then his own No. 66. Rabin was licensed as a securities broker by the NYSE on July 25, 1969, by the State of Illinois on August 1, 1969, and by the State of Oregon on August 8, 1969. As will be more fully discussed hereafter, Rabin had an agreement with Feldman to split CTI commissions and used Feldman's number until April when he had a disagreement with Feldman over the amount of commissions due him and thereupon went back to using Dundon's number until he was licensed by the NYSE, and could use his own number.

In January 1969, Rabin began recommending the stock of Penn Engineering to the customers whom he was soliciting. He testified that Dundon told him that Penn Engineering, which was selling at \$10-12 a share, would go to \$25 and be listed on the ASE. Rabin passed this information on to his

---

3/ Chicago production numbers carried the prefix 72 so that Rabin's full number would be 7266. For convenience only the last two digits (66) of production numbers will be used.

customers. The order tickets for Penn Engineering were made out by Rabin under Dundon's production number and Dundon initialed some of them. Sometime after his first sales of Penn Engineering Rabin noticed that the market price had declined and asked Dundon about it. Dundon told him not to worry since "you won't get hurt in it. Just cool it."

Rabin also began recommending the purchase of Community Health Facilities (CHF) which he heard about from Feldman who told him that his customers should buy CHF for a quick profit so that they could invest more in the impending offering of CTL. Rabin asked Dundon if it was all right to sell CHF to his customers and Dundon said to "go ahead". Rabin told his customers that CHF would appreciate in price and would perform like Four Seasons.

When Rabin commenced working at Walston Dundon assigned him to work with Schrader and to concentrate on learning the securities business and preparing himself to become a registered representative. However, according to Schrader he immediately began using the telephone and engaging in "hard sell" and "high pressure" sales tactics in recommending stocks. Schrader reported these activities to Dundon but Rabin continued to operate in the same manner. Sometime in late February or early March Dundon re-assigned Rabin to work with Feldman who was then in the process of becoming sales manager.

At this time a number of accounts were opened for persons outside Illinois, principally from Oregon, under Feldman's production No. 20. Feldman agreed to pay Rabin in cash one-half of the commissions he received

for sales of CTI which was in the process of being registered.<sup>4/</sup> Rabin had begun soliciting orders for CTI as early as January when he heard about it from Dundon. Rabin told investors on the telephone that there was an offering of a security coming out in the near future but that he could not give them the name. He even asked customers how many shares they might be interested in and he then made out an order ticket for that number. He kept these tickets in his possession and subsequently put them in Feldman's office. A few days before the offering Rabin telephoned all those persons for whom he had written tickets to inform them of the offering and to ascertain whether they still desired the same number of shares as previously indicated. He then changed the order tickets according to their instructions and gave them to Feldman who took them to the order room to be executed. Rabin's soliciting of CTI accounted for the sale of at least 24,000 shares, all under the account number of Feldman. It should be noted that the offering was made on April 22 at \$8.00, but that all of Rabin's customers purchased on April 23 at prices ranging from \$12 to \$13 1/2.

Subsequently, on May 15, 1969, in accordance with their agreement, Rabin received a check from Feldman for \$1,250 as his share of the commissions from the sales of CTI. However, Rabin felt that he was entitled to substantially more and informed Dundon that he would no longer work with Feldman. Thereafter, he continued to sell various securities, including

---

<sup>4/</sup> A registration statement was filed for 200,000 shares of common stock of CTI on March 7, 1969 and became effective on April 22, 1969. The offering price was \$8 a share.

CTI, under Dundon's production number until he received his salesman's license. The record shows that on or about the same day Rabin passed the NYSE examination for registered representative, July 25, 1969, all of the accounts that Rabin had been responsible for opening were transferred from the production numbers of Dundon and Feldman to his production number.

In addition to the \$1,250 in commissions received from Feldman, Rabin received a total of \$9,100 from Dundon or at Dundon's direction. By Inter-Office Memorandum of September 30, 1969, to Walston's New York Office, Dundon directed transfer of \$7,000 to Rabin with the following explanation:

"Ray Rabin, 7266, is entitled to a gross adjustment because his commissions were credited to my number - 7267 - and to the house account - 7200. Please credit Ray Rabin, 7266, with \$7,000 Principal - \$3500 to be taken from the house account, 7200, and \$3500 to be taken from my account, 7267."

On October 31, 1969, Rabin received \$2,100 in commissions transferred from house account 7200 at Dundon's instruction.

An analysis of the sales of CTI entered in Feldman's account, prepared from Walston records by an SEC staff investigator, shows that 54 residents of Oregon, California, Nevada and Washington, (Rabin's customers) made 56 purchases of CTI on April 22 and 23, 1969, totaling 24,150 shares and that only 50 of these shares were at the public offering price of \$8.

The usual practice at Walston, upon the execution of an order, was to prepare a confirmation of the transaction and send a copy to the account executive whose production number appeared on the order.

Accordingly, Dundon would have received approximately 200 confirmations reflecting the purchases of securities by residents of Oregon, California, Nevada and Washington, This is further substantiation of the fact that Dundon knew or should have known of Rabin's activities in executing transactions while still a trainee and unlicensed, either as a registered representative or as a salesman in Illinois or Oregon.

Immediately upon his return to Portland in January 1969 Korn informed a few of his close friends of the information given to him by Dundon concerning CTI but without disclosing the name of the stock. These friends, in turn, began passing the word to others. At the same time Rabin began soliciting many of these same people as well as others in the Portland area to open brokerage accounts with him at Walston. Rabin, also, recommended Penn Engineering and CHF while passing on the information he had gotten from Dundon concerning an unnamed underwriting that Walston was going to bring out. This, of course, was CTI and by the time he released the name his customers were clamoring for the stock. Many of them were calling Rabin to learn when the stock was coming out and to place orders, as stated above.

Sixteen investor witnesses from the Portland area testified concerning the purchase of a total of 17,100 shares of CTI stock through Rabin. Almost all of these made purchases on April 23, 1969, and many made additional purchases in June, July and August. These investors testified, variously, that Rabin had made representations <sup>4a/</sup> that CTI was a new issue; that it was a "very hot" stock; that it was going up to \$30 a share in the

---

4a/ There is no reasonable basis in the record for any of these representations, See Hanley v. SEC, 415 F.2d 589, 597 (C.A. 2, 1969); Idaho Acceptance Corp., et al., 42 SEC 187, 193 (1964).

Concerning the prospective value of CTI.

near future; that it would split; that it would be listed on the American Stock Exchange; that it was being pushed by Walston which was the underwriter; that it would be another Four Seasons which, also, had been a Walston underwriting. Also, Rabin said Dundon was close to CTI management and had brought the underwriting to Walston; and that Dundon was the source of the information which he, Rabin, was passing on to them.

In addition, those who purchased in June, July and August and those who expressed concern when CTI failed to appreciate as promised, were told by Rabin that Dundon had informed him that CTI was going to publish a financial statement shortly and that a merger with a west coast company was being discussed. Some additional purchases were made on these representations which proved to be untrue.

During this later period Dundon's expense account shows that he was close to CTI management and that on May 10, June 27, July 26 and August 12, 1969, he hosted lunches or dinners for CTI officers and directors at which the company's earnings, potential and other problems were discussed. Between November 9, 1968 and October 22, 1969, Dundon had 18 meetings with CTI executives at the Union League Club and other Chicago restaurants all of which are reflected on his expense account.

With the exception of Korn, none of the Portland investors met Dundon or talked to him although some of them tried to call him on the telephone but were unable to get through and their calls were never returned.

The Portland investor witnesses were unanimous in saying that they did not receive a prospectus either before or at the time of their purchases. This is understandable in view of the fact that they believed they were

going to get in on the original offering at \$8 a share, when, in fact, they all purchased in the aftermarket at 12 1/2 or 13, except Korn who did get 50 shares at 8. <sup>5/</sup> Delivery of the prospectus preceding or at the time of purchase would have apprised them, among other things, of the fact that they were not getting shares at the offering price.

Respondent does not deny that all of the violations described herein occurred. Rather, he argues that whether Rabin offered and sold CTI stock prior to the time he became licensed with the knowledge, consent and participation of Dundon depends entirely on whether one credits the testimony of the Division's principal witness, Rabin. In other words, the main thrust of Dundon's defense is that it is his word against Rabin's and that Rabin is a <sup>PERJURER</sup> ~~perjurer~~ and not to be believed. This line of defense has been pursued by Dundon during the proceeding and following the submission of briefs and is based on the contention that Rabin tailored his testimony in the best interests of his uncle because of fear of him and because he wanted to help Korn and his friends in a suit against Walston. A corollary contention is that the Division made a deal not to prosecute Rabin in return for his testimony against Dundon. Both of these contentions are without merit and unsupported by the evidence.

The Division's proposed findings of fact, conclusions of law and brief in support were filed on January 10, 1974, and respondent's proposed findings, conclusions and brief were filed on March 20, 1974. At

---

5/ Korn purchased 7700 shares of CTI at a cost of \$104,675 and these 50 shares were all he was able to get at the offering although Dundon had promised to "take care of him". Korn's loss on his CTI investment was \$30,144.



the same time respondent filed a motion to reopen the hearing, or in the alternative to submit an affidavit by Dundon, on the grounds that Rabin had recanted, or substantially changed his testimony, following the close of the evidentiary hearing in this matter on November 1, 1973. Dundon's affidavit consisted primarily of alleged transcripts of telephone calls, initiated by Dundon to Rabin in Portland or San Francisco, during February 1974. Over the objections of the Division the motion to reopen the hearing was denied and Dundon's affidavit received in evidence by order dated April 17, 1974.

On May 1, 1974, the Division submitted an affidavit by the Chicago Regional Administrator supported by a transcript of a telephone conversation between Rabin, his attorney and staff members which contained Rabin's version of his telephone conversations with Dundon, and moved its admission into evidence. Without objection the motion was granted and the affidavit and supporting transcript received in evidence by order dated May 22, 1974.

Dundon's persistent efforts to discredit Rabin's testimony fail for the obvious reason that it is substantially corroborated in all important aspects by a preponderance of the evidence as discussed heretofore. The exhibits introduced into the record and the testimony adduced from other witnesses, including respondent's, support a conclusion that Rabin's testimony is creditable in all its salient features. Although Dundon made no direct sales of CTI stock to investors it is clear that he was aware of and encouraged such sales by Rabin, thus participating in and aiding and abetting the fraudulent scheme to distribute CTI securities. <sup>6/</sup>

---

6/ Best Securities, Inc., 39 S.E.C. 931, 934; Alfred Miller, 43 S.E.C. 233, 238; Hiller v. S.E.C., 429 F.2d 856, 858; S.E.C. v. North American Research (continued)

Accordingly, it is found that he willfully <sup>7/</sup> violated and willfully aided and abetted violations of Sections 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, as charged in the Order.

The Order, also, charged that Dundon failed reasonably to supervise persons subject to his supervision with a view to preventing violations alleged therein. However, such a finding would be inconsistent with the active role Dundon played in this situation. 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. Here, having made findings that Dundon willfully violated and willfully aided and abetted violations of certain substantive provisions, it is inappropriate and inconsistent to find him responsible for a failure of supervision with respect to the same misconduct. <sup>8/</sup>

---

6/ and Development Corp., 424 F.2d 63 at 83-86 (2nd Cir. 1970); Gross v. S.E.C., 418 F.2d 103, 107 (2nd Cir. 1969); S.E.C. v. National Bankers Life Insurance Company, 324 F. Supp. 189, 195 (N.D. Tex. 1971).

7/ It is well established that a finding of willfulness does not require an intent to violate the law; it is sufficient that the person charged with the duty knows what he is doing. Billings Associates, Inc., 43 S.E.C. 641, 649 (1967); Biesel, Way & Company, 40 S.E.C. 522 (1961); Hughes v. S.E.C., 174 F.2d 969, 977 (C.A.D.C. 1949).

8/ In the Matter of Anthony J. Amato, Securities Exchange Act Release No. 10265 (June 29, 1973). See, also, Securities Exchange Act Releases, as follows: Adolph D. Silverman, 10237 (August 6, 1973); Fox Securities Company, Inc., 10475 (November 1, 1973); Charles E. Marland & Co., Inc., 11065 (October 21, 1974).

Public Interest

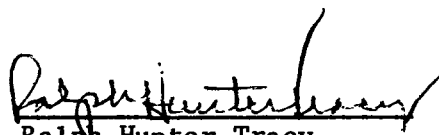
The remaining issue concerns the remedial action which is appropriate in the public interest with respect to respondent. The Division, asserting that Dundon demonstrated abuse of his position of authority at Walston when he encouraged and rewarded Rabin in activities which were in violation of the Federal securities laws and in which he participated, urges that protection of the public interest by persons in positions of responsibility with a brokerage firm, such as respondent, requires that Dundon be suspended from association with a registered broker-dealer for one year, with the right to apply for permission to re-enter the securities business after the year suspension period, in a non-supervisory capacity. On the other hand, respondent urges that no sanction be imposed.

Upon careful consideration of the record it is concluded that the public interest requires that Dundon not be permitted to associate with any broker-dealer in a principal or supervisory position. It appears appropriate, however, to give consideration to allowing him a non-supervisory position with a broker-dealer after one year.

Accordingly, IT IS ORDERED that Ronald W. Dundon, is barred from association with any broker or dealer, except that after one year from the effective date of this order he may apply to the Commission for permission to become associated with a broker-dealer in a nonproprietary and nonsupervisory position wherein his activities would receive adequate supervision.

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

Pursuant to Rule 17(f), 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(f), 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.<sup>9/</sup>

  
Ralph Hunter Tracy  
Administrative Law Judge

Washington, D.C.  
January 3, 1975

---

9/ To the extent that the proposed findings and conclusions submitted by the parties, and the arguments made by them, are in accordance with the views herein they are accepted, and to the extent they are inconsistent therewith they are rejected.