



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

(202) 755-4846



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74-6

The Securities and Exchange Commission today announced the filing of a complaint in U.S. District Court for the Southern District of Florida against R. J. Allen & Associates, Inc., of Ft. Lauderdale, Florida, a municipal bond dealer not registered with the Commission, and certain of its officers and employees for violations of the anti-fraud provisions of the Federal securities laws.

The Commission's complaint, filed by the Miami Branch Office, requested a temporary restraining order and preliminary and permanent injunction against the corporate defendant, Robert J. Allen, president; Howard W. Alexander, a former president; Charles Diaz, an officer and salesman, and Thomas Anthony Preston and Lee Ridgley, two salesmen. The Commission also sought appointment of a receiver, an accounting, disgorgement, and an order prohibiting the individual defendants (except Ridgely) from making any disposition of their assets pending further order of the court and impressing those assets with a trust for the benefit of the investors.

The Commission's complaint alleged that returning Vietnam prisoners of war, many of whom had accumulated substantial amounts of cash from back-pay and disability compensation during their imprisonment, received "cold call" letters of solicitation from R. J. Allen & Associates, Inc., affirming the great debt of gratitude owed them by all Americans and offering assistance to ease the POW's adjustment period, including the rendering of investment advice. The Commission alleged that some of the ex-POW's were sold extremely high risk industrial revenue bonds under representations that the dealer would buy back the bonds on or before a stipulated date, thus indemnifying the ex-POW's against loss. The Commission claimed further that in at least one instance the bond issue was in default, that in another the repurchase agreement has been dishonored and that in at least two other cases no delivery of bonds was made.