



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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78-2

HASKINS & SELLS, OTHERS, SUBJECT TO 2(e) PROCEEDING

The Commission announced that it has instituted an administrative proceeding, pursuant to Rule 2(e) of the Commission's Rules of Practice, against Haskins & Sells, a public accounting firm, and three of its partners: Eugene Cobaugh, Timothy FitzGerald and Billy R. Thomas. Simultaneously with the institution of the proceeding, the Commission accepted the offers of settlement of each of the respondents and issued an Opinion and Order.

The Opinion and Order is based upon deficiencies in the conduct of audits by Haskins & Sells of FISCO, Inc., Falstaff Brewing Corporation, Oceanography Mariculture Industries, Inc. and Ampeco Securities, Inc. Messrs. FitzGerald, Cobaugh and Thomas were, respectively, the partners of Haskins & Sells principally responsible for the audits of the latter three clients.

The Opinion and Order and the Offer of Settlement of Haskins & Sells provide that Haskins & Sells will establish a committee to render a report concerning the manner in which Haskins & Sells conducts its SEC audit practice; provide that Haskins & Sells' Philadelphia office will not accept SEC audit engagements for the period ending June 30, 1978; and provide that Haskins & Sells will conduct or sponsor a described research project.

As part of their offers of settlement, the individual respondents have made certain undertakings as to which the Commission has ordered their compliance. Timothy FitzGerald has undertaken that for a period of ninety days he will not be involved in audit engagements with clients whose financial statements are expected to be filed with the Commission and, for a period of one hundred eighty days thereafter, he will not be so engaged absent supervision. FitzGerald may, however, consult with partners and employees of Haskins & Sells during such period. Eugene Cobaugh has undertaken that, for a period of one hundred twenty days, he will not be involved in audit engagements of clients whose financial statements are expected to be filed with the Commission. Finally, Billy R. Thomas has undertaken that for a period of sixty days, he will not be involved in such audit engagements.