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Washington Service Bureau, Inc.	
Letter:	Shearson Hayden Stone Inc.
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SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 JUL 12 1976

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Section	4(1) 102 R144
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Charles H. Harff, Esquire
 Chadbourne, Parke, Whiteside & Wolff
 30 Rockefeller Plaza
 New York, New York 10020

Re: Shearson Hayden Stone Inc.

Dear Mr. Harff:

This is in response to your letter of June 16, 1976 regarding a proposed sale by HS Equities, Inc. of 317,390 shares of Common Stock of Shearson Hayden Stone Inc. without compliance with the registration requirements of the Securities Act of 1933 ("Act") and without compliance with the provisions of Rule 144 under the Act.

The material facts are as follows. On September 10, 1970, HS Equities, Inc. ("HEC") then known as Hayden, Stone Incorporated) acquired 434,938 shares of non-voting Class B Common Stock, warrants to purchase an additional 160,000 shares, and \$3,000,000 principal amount of 10% Subordinated Debentures due September, 1978 of Cogan, Berlind, Weill & Levitt, Inc. (now Shearson Hayden Stone Inc. "Shearson Hayden") in exchange for certain business and assets of HSE. In October, 1971 the non-voting Class B Common Stock was reclassified into voting Common Stock. Pursuant to a prospectus dated October 1, 1971, HSE sold 84,548 shares as part of a registered offering. On February 24, 1976, HSE sold 33,000 shares pursuant to Rule 144, leaving a balance of 317,390 shares, 160,000 warrants and the \$3,000,000 Subordinated Debentures.

You advise that the 317,390 shares constitute 8.3% of the outstanding Common Stock. HSE believes that Shearson Hayden has been controlled by Messrs. Cogan, Berlind, Weill and Levitt, Jr. who owned, in June, 1971, an aggregate of 48.72% of the outstanding stock of Shearson Hayden and who own an aggregate of 28% at the present time. Messrs. Cogan, Berlind, Weill and Levitt have also been directors and principal executive officers of Shearson Hayden during most of the period during which HSE has held the investment in Shearson Hayden, with Messrs. Weill and Levitt still continuing to be Chairman of the Board and Chief Executive Officer, and the President, respectively, of Shearson Hayden.

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Charles H. Harff, Esquire

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It is your opinion that these securities are exempt from the registration provisions of the Act by virtue of Section 4(1) thereunder. You are further of the opinion that HSE is not precluded from making the proposed sale under Section 4(1) of the Act by virtue of its prior sale of 33,000 shares under Rule 144. You cite certain reasons in support of your opinions and represent that HSE will sell the Shearson Hayden shares in an orderly fashion through one or more broker-dealers of recognized experience and standing and intends to pay only the normal and customary brokerage commissions in connection with any such sales.

Based on the facts and representations presented, as set forth more fully in your letter, this Division will not recommend any action to the Commission if the 317,390 shares of Common Stock of Shearson Hayden are sold without compliance with the registration requirements of the Act or compliance with Rule 144 under the Act.

Because this position is based upon the representations made to the Division in your letter, it should be noted that any different facts or conditions might require a different conclusion. Further, this letter only expresses the Division's position on enforcement action and does not purport to express any legal conclusion on the questions presented.

Sincerely,

Consuela M. Washington
 Attorney Adviser

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