

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

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**INCORPORATION BY REFERENCE RULES CLARIFIED.** The SEC has amended its "incorporation by reference" rules under the Federal securities laws so as to clarify and bring them up to date (Release 33-4665). Incorporation by reference is governed by Rule 24 of the Rules of Practice, reading: "(a) Requirements. Where rules, regulations, or instructions to forms permit incorporation by reference, a document may be so incorporated only by reference to the specific document and to the prior filing in which it was physically filed, not to another file which incorporates it by reference. No document which has been on file with the Commission for a period of more than 10 years may be incorporated by reference in a current filing except basic documents as designated under paragraph (b) of this rule." The amendments announced today clarify the relationship between the rules under the various Acts and Rule 24.

**DISCLOSURE GUIDES ISSUED.** The SEC today published a statement of the policies and practices generally followed by its Division of Corporation Finance in the examination of the registration statements for compliance with the Securities Act disclosure requirements (Release 33-4666). The statement was issued as a guide to the preparation and filing of registration statements. It is designed to aid in the preparation and filing of statements which conform to the policies and practices followed in respect of the 32 separate items covered in the statement, and thus minimize the need for the Division to issue letters of comment calling for clarifying amendments of additional disclosures in these areas. These policies do not purport to furnish a complete guide for the preparation of registration statements and additional policies may be published from time to time. Copies of the statement are being mailed to practicing lawyers, accountants and others.

**ASSOCIATED OIL & GAS PROPOSES OFFERING.** Associated Oil & Gas Explorations, 1964, Ltd., filed a registration statement (File 2-22059) with the SEC on February 6 seeking registration of \$2,250,000 of Limited Partnership Interests. The interests are to be offered for public sale in \$25,000 units. Associated will offer the interests on a best efforts basis. The partnership was organized in January 1964 under Texas law, for the purpose of acquiring oil, gas and other mineral interests. Associated will commit \$131,842.11 for limited partnership interests, and will have a capital percentage in the partnership, however, it will receive no compensation by way of salary. It will receive as reimbursement for out-of-pocket expenses and overhead, 2% of the cash contributions to the partnership. Proceeds of the sale of interests will be used to evaluate, acquire, hold, test, develop and operate oil and gas leaseholds. Exploration activities will generally be conducted in the Gulf Coast regions of Texas and Louisiana, but prospects may also be acquired and drilled in West and Southwest Texas, North and Central Louisiana, and such other states as the partnership may decide. The prospectus lists S. A. Wickstrom as president of Associated.

**INDICTMENT IN DOUGLAS PRECISION STOCK SALE.** The SEC New York Regional Office announced January 21 (LR-2837) that the following have been indicted for violations of the Securities Act anti-fraud provisions in the sale of stock of Douglas Precision Parts, Inc.: Raymond R. Filiberti of New York City, Fred Hesse of Westfield, N. J., Louis Mayo of Miami, Fla., Arnold Naidich of Plainview, N. Y., Frank Sacco of Scarsdale, N. Y. and Arthur Tortorello of New York City.

**COURT ORDER ENJOINS FUND INVESTMENTS, OTHERS.** The SEC Atlanta Regional Office announced February 5 (LR-2838) the entry of a Federal court order (USDC N. Car.) preliminarily enjoining further violations of the SEC net capital rule by Fund Investments, Inc., Sister Perfection, and Marjorie G. Hugo, of Charlotte, N. Car.

**WM. P. MACKAY CO. ENJOINED.** The SEC Washington Regional Office announced February 5 (LR-2839) that William P. Mackay, trading as Mackay & Company, Reading, Pa., had been permanently enjoined (with his consent) by Federal court order (USDC ED Pa.) from further violating the SEC net capital, financial reporting and record-keeping rules.

**HEWLETT-PACKARD FILES STOCK PLAN.** Hewlett-Packard Company, 1501 Page Mill Road, Palo Alto, Calif., filed registration statement (File 2-22053) with the SEC on February 5 seeking registration of 100,000 shares of common stock, to be offered pursuant to its 1964 Incentive Stock Option Plan.

**COURT ORDER ENJOINS SHERWOOD & MURIEL ELLIS.** The SEC Washington Regional Office announced February 6 (LR-2840) the entry of a Federal court order (USDC DC) permanently enjoining further violations of the Securities Act registration and anti-fraud provisions by A. Sherwood Vickers and Muriel Ellis Vickers, of Washington, D. C., in the offer and sale of securities of Starco, Inc. (Sunrae Tower and Renewal Co.), and Housing Foundation Designed for Single People (Inc.). The two defendants consented to the court order. A default judgment was entered against the two companies and another defendant, Mrs. Jency Price Houser, Tucson, Ariz., on May 14, 1963; and the action is still pending against Hallet B. Frisbie of Detroit.

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**TWO REGISTRATIONS CANCELLED.** The Commission has cancelled the broker-dealer registrations of (1) Midland Securities Corp., Phoenix, Ariz., and (2) North Shore Associates, of New York. Midland Securities was enjoined by Federal court order in January 1963 from violating the Securities Act registration and anti-fraud provisions and is no longer engaged in the securities business. North Shore Associates also is no longer engaged in the securities business and two of its partners were enjoined by an October 1962 order of the Supreme Court of New York from continuing certain conduct in connection with the purchase or sale of securities.

**SEC INTERVENES IN RIMAK ELECTRONICS CASE.** The SEC today announced (CR-210) that it had filed a notice of appearance in the Chapter X proceedings for the reorganization of Rimak Electronics, Inc., in the Federal court in Los Angeles. Irving Sulmyer serves as Trustee. The debtor manufactures precision sheet metal assemblies for the missile and aircraft industries and small electric products. The balance sheet, as of October 31, 1963, list assets and liabilities of approximately \$1,114,000 and \$851,000, respectively. The assets include inventories of \$404,000, machinery, equipment and other fixed assets of \$275,000, and land at \$120,000. The balance sheet reflects an earned surplus deficit of \$670,000, including a net loss of \$66,000 for the eleven months ending October 31, 1963. The liabilities include \$200,000 principal amount of convertible subordinated debentures which were issued pursuant to a Chapter XI plan of arrangement consummated a little more than a year ago. The Debtor has outstanding 248,108 shares of \$1 par value preferred stock issued to trade creditors in the prior Chapter XI proceeding. There are outstanding 358,823 shares of common stock held by approximately 700 investors.

**FORT APACHE OIL HEARING SCHEDULED.** On request of Fort Apache Oil & Gas, Inc., of Yuma, Ariz., the SEC has scheduled a hearing for February 17, 1964, in Phoenix, Ariz., on the question whether to vacate or make permanent the January 23, 1964, order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of 300,000 shares of Fort Apache Oil common at \$1 per share. The suspension order was based upon asserted non-compliance with the disclosure requirements of Regulation A, including an alleged failure to disclose the speculative aspects and risk features of the company's business and securities. The hearing will commence at 2:00 P.M. in the Main Hearing Room, Arizona Corporation Commission, State Capitol Annex, Phoenix.

**SECURITIES ACT REGISTRATIONS.** Effective February 5: The Prudential Oil Corp. (File 2-22000); Southeastern Timberland Trust (File 2-21967). Effective February 6: Florida Citrus Industries Ltd. (File 2-21919); General Motors Corp. (File 2-22009); John Nuveen & Co. (File 2-21854); Oxford Manufacturing Co., Inc. (File 2-21673); Tubos De Acero De Mexico, S. A. (File Nos. 2-21938 and 21939). Effective February 7: Canada General Fund, Inc. (File 2-22019). Withdrawn February 6: Midwest Technical Development Corp. (File 2-19839).

**ORAL ARGUMENT, COMING WEEK.** February 11, 2:30 P.M., Market Values, Inc.

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