

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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**SEC ORDER CITES PATRICK CLEMENTS & ASSOCIATES.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Patrick Clements, a sole proprietor doing business as Patrick Clements & Associates, of 8440 Sunset Boulevard, Los Angeles, Calif. Clements is a member of the National Association of Securities Dealers, Inc. He has filed a notice of withdrawal of his registration as a broker-dealer, but withdrawal has not become effective.

The proceedings are based upon staff charges that during the last four months of 1962 Clements, Capital Gains Institute, Inc., and five other individuals, engaged in certain activities violative of the anti-fraud provisions of the Federal securities laws, more particularly with respect to their offering and sale of stock of California Growth Capital, Inc., through the use of market letters, literature and oral statements. The individuals are James Risser, George Russell Barber, Louis R. Kurtin, Louis B. Cherry, and Karl N. Kaiser (also known as Meyers). Violations of the Commission's net capital and bookkeeping rules by Clements and Louis Arthur Ray also are charged by the staff. Capital Gains Institute, Inc., Clements and others, were named respondents in the Commission's order of January 27, 1964, authorizing administrative proceedings under the Investment Advisers Act of 1940 (Release IA-155).

A hearing will be held at a time and place to be announced, for the purpose of taking evidence on the staff charges to determine whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

**EXEMPTION GRANTED GATE CITY STEEL.** The Commission has issued an order under the Securities Exchange Act granting an application of Gate City Steel, Inc. - Omaha, of Omaha, Nebr. for an exemption from the periodic reporting requirements of that Act. According to the application, Bannock Steel Corporation now owns 99.8% of the outstanding stock of Gate City Steel, the remaining 1,074 common shares being held by 15 other stockholders. Gate City Steel has agreed to furnish financial statements to its shareholders upon request.

**PETER HERBERT REGISTRATION CANCELLED.** The Commission has cancelled the broker-dealer registration of Peter Herbert & Co., Inc., of 150 Broadway, New York City, by reason of the fact that the said firm is no longer engaged in the securities business. The firm and its president, David Hein, were permanently enjoined in October 1961 by a decree of the Supreme Court of the State of New York, from further engaging in the securities business within or from the State of New York.

**SEC ORDER CITES BRIDWELL & CO.** The SEC has ordered administrative proceedings under the Investment Advisers Act of 1940 involving Bridwell & Co., Inc., of 242 State Street, Los Altos, Calif. Also named in the order are Rodger Winfield Bridwell, president, and Frank Emmett Whalen, a director of the Bridwell firm, which published and sold "The Insider Report" until November 4, 1963.

The proceedings are based upon staff charges that from July 1963 to date the Bridwell firm (aided and abetted by Bridwell and Whalen) engaged in certain activities violative of the anti-fraud and anti-manipulative provisions of the Investment Advisers Act, particularly in respect of their circulation and distribution of information on aluminum and beryllium alloy in The Insider Report and other advertisements.

A hearing will be held at a time and place to be announced, for the purpose of taking evidence on the staff charges to determine whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

**PENSION PLANS FUND ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-3915) permitting Pension Plans Fund, Inc., 20 Broad St., of New York, an additional 90-day period within which to raise the initial net worth of \$100,000 required by Section 14(a)(3) of the Act.

**SOUTHEASTERN PA. DEVELOPMENT FUND SEEKS ORDER.** Southeastern Pennsylvania Development Fund, Philadelphia, has applied to the SEC for an order under the Investment Company Act with respect to the ownership of its securities; and the Commission has issued an order (Release IC-3916) giving interested persons until March 5, 1964, to request a hearing thereon. The Fund was organized under the Pennsylvania Development Credit Corporation Law for the purpose of providing money and credit to new and existing businesses in Southeastern Pennsylvania counties. It anticipates that Philadelphia Electric Company will purchase \$500,000 of its common stock and thus would own one-third of its authorized capital stock (1,500,000 shares represented by 150,000 shares of \$10 par stock). Other companies also may purchase common stock of the Fund or make loans pursuant to lending agreements, and thus become the owner of 10% or more of the outstanding shares. Section 3(c)(1) accepts from the definition of investment company any issuer whose securities are beneficially owned by not more than one hundred persons; and beneficial ownership is deemed to be ownership by one person except that, with respect to ownership by a company which owns 10% or more of the outstanding shares, the beneficial ownership is deemed to be that of the holders of such company's outstanding securities. The Fund seeks an order providing that this definition shall not apply to a company owning more than 10% of its shares so long as the value of Fund shares held by such company does not exceed 5% of the value of its total assets.

DELAWARE POWER ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15014) approving a proposal of Delaware Power & Light Company, Wilmington holding company, to utilize a method of allocating income tax liabilities in the consolidated return of Delaware Power and its subsidiaries which will give to each of the companies included in consolidated returns the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

PHOENIX SECURITIES, OTHERS ENJOINED. The SEC New York Regional Office announced February 17 (LR-2845) the entry of a Federal court order (USDC NJ) permanently enjoining Phoenix Securities and Jersey Planning Corporation, Inc., both of Montclair, N. J., together with several individuals, from further violating the Securities Act anti-fraud provisions in the sale of stock of Jersey Planning Corporation, Inc. The individual defendants were Henry Giannetti, Sr. and Henry Giannetti, Jr., Raymond Filiberti, Thomas Tullio, Michael Favata, Anthony Galanti, Frederick P. House, and Lewis Moskowitz.

ALL STATES MANAGEMENT PROPOSES OFFERING. All States Management Company, 141 Milk St., Boston, Sponsor of B. C. Morton Investment Plans, whose underlying investments are shares of the Insurance Series of B. C. Morton Fund, Inc., an open-end mutual fund investing primarily in common stocks of insurance companies, filed a registration statement (File 2-22087) with the SEC on February 18 seeking registration of \$8,000,000 of Systematic Investment Plans and Systematic Investment Plans with Insurance for the accumulation of Fund shares, and \$2,000,000 of Fully-Paid Plans for accumulation of Fund shares.

ANHEUSER-BUSCH PROPOSES FINANCING. Anheuser-Busch, Incorporated, 721 Pestalozzi St., St. Louis, Mo., filed a registration statement (File 2-22088) with the SEC on February 18 seeking registration of \$40,000,000 of Debentures due 1989, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal product is beer, produced and distributed under the brand names Budweiser, Michelob and Busch Bavarian. Net proceeds of the debenture sale will be added to general funds of the company and will be available, together with internally generated funds, for capital expenditures. Such expenditures for the years 1964-66 will include the construction of a brewery in Houston at an estimated cost of \$32,000,000 and of corn products plant facilities at an estimated cost of \$25,000,000. The prospectus lists August A. Busch, Jr., as president and board chairman.

SOUTHWESTERN PUBLIC SERVICE PROPOSES FINANCING. Southwestern Public Service Company, 720 Mercantile Dallas Bldg., Dallas, Texas, filed a registration statement (File 2-22089) with the SEC on February 18 seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1994, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc., 46 William St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment. An electric utility, the company proposes to use the proceeds of the debenture sale in part (\$10,704,000) for payment of interest on the company's \$9,600,000 of First Mortgage Bonds, 5-3/4% Series due 1989, on April 1, 1964, and to redeem said bonds on October 1, 1964, at 105-3/4% of the principal amount thereof plus accrued interest from April 1, 1964. The net proceeds also will be applied to the payment of bank loans obtained for property additions and improvements and to further expenditures under its construction program. Construction expenditures are estimated at \$30,222,000 for fiscal 1964 and \$23,146,000 for fiscal 1965 (ending August 31).

SECURITIES ACT REGISTRATIONS. Effective February 18: Control Data Corp. (File 2-22048).  
Effective February 19: Dempster Mill Mfg. Co. (File 2-21964); Henry I. Siegel Co., Inc. (File 2-22041).  
Withdrawn February 18: Laminetics Inc. (File 2-20006); The National Union Insurance Co. of Washington (File 2-21638).