

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



Washington 25, D.C.

In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 64-3-14)

FOR RELEASE March 19, 1964

SEC ORDER CITES ARNOLD SECURITIES (NY). The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Arnold Securities Corp., 170 Broadway, New York City, N. Y. Also named as respondents are Arnold Miller, president, and the following salesmen: Stanley Korey, Sol Tepper, Clifton Hendricks and Sam Efrain. An application of Arnold Securities to withdraw its broker-dealer registration (which became effective in August 1962) has not become effective.

The proceedings are based upon staff charges that Arnold Securities and the individual respondents, in connection with their offering and sale of stock of Wheaton Industries, Inc., during the period February through July 1963, engaged in certain activities violative of the anti-fraud and anti-manipulative provisions of the Federal securities laws.

A hearing will be held (at a time and place to be announced) to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a disciplinary nature is appropriate in the public interest.

SEC ORDER CITES J. BRAD DAVID, LTD. The Commission also has ordered administrative proceedings involving the broker-dealer firm of J. Brad David, Ltd., of 14 Maiden Lane, New York, N. Y. Also named as a respondent is Donald Hecht, president and principal stockholder. The David firm, which has been registered since April 1962, is a member of the National Association of Securities Dealers, Inc. An application for withdrawal from registration has not become effective.

The proceedings are based upon staff charges that the David firm and Hecht, in the offering and sale of stock of American Fun Fair, Inc., during January 1963, engaged in activities violative of the registration and anti-fraud provisions of the Federal securities laws.

A hearing will be held (at a time and place to be announced) to take evidence on the staff charges and afford respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a disciplinary nature is appropriate in the public interest.

PATRICK CLEMENTS ASSOCIATES HEARING. The Commission has scheduled a hearing for April 2, 1964, in its Los Angeles Branch Office in administrative proceedings, previously announced (see Release 34-7244), involving the firm of Patrick Clements, dba Patrick Clements & Associates, of Los Angeles.

SEC COMPLAINT NAMES PARACANUSA COFFEE GROWERS, OTHERS. The SEC Fort Worth Regional Office announced March 16 (LR-2871) the filing of a complaint (USDC, Houston) seeking an injunction against violations of the Securities Act registration provisions by Bogdan Jurisic, Calgary (Canada), Richard Gill Sydnor, Corpus Christi, Tex., Paracanusa Coffee Growers, Ltd., Paracanusa Agricola do Brasil, Ltda., Coroa Coffee Plantation and Sao Sebastian Coffee Plantation.

AMPAL-AMERICAN ISRAEL SEEKS ORDER. Ampal-American Israel Corporation, 17 East 71st Street, New York, has applied to the SEC for an order with respect to certain proposed loans; and the Commission has issued an order (Release IC-3932) giving interested persons until April 2d to request a hearing thereon.

According to the application, Ampal-American owns about 8.2% of the outstanding voting securities of Israel Development Corporation, a registered, closed-end, non-diversified investment company. The proposal contemplates loans during the period ending January 31, 1965, as follows: by Ampal-American, \$5,000,000 to Jewish Agency for Israel and \$500,000 to National Committee for Labor Israel; and by Israel Development in the respective amounts of \$3,000,000 and \$500,000. The borrowing agencies, which are eleemosynary institutions, are making these borrowing in anticipation of future receipts from charitable contributions and similar sources.

MEDICAL INDUSTRIES FUND RECEIVES ORDER. The SEC has issued an order (Release IC-3933) declaring that the Medical Industries Fund, Inc., 141 Dehlia St., Denver, Colo., has ceased to be an investment company under the Investment Company Act.

MEDICAL SCIENCE FUND INTERNATIONAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3934) declaring that the Medical Science Fund International, Inc., 80 Pine St., New York, has ceased to be an investment company.

NATIONAL AVIATION GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-3936) granting an application of the National Aviation Corporation, of New York, for an exemption with respect to its proposed purchase of securities of New York Airways, Inc. National proposes to acquire 56,768 of New York Airways' 5% convertible subordinated notes due November 30, 1964, and 2,272 shares of its capital stock at \$5 per share, as well as an additional 9,088 shares upon conversion of the notes. National now owns 25,000 shares of New York Airways' stock. The latter operates a helicopter service between various airports in the metropolitan New York City area.

OVER

CENTRAL INVESTMENT OF DENVER SEEKS ORDER. Central Investment Corporation of Denver, 611 Central Bank Bldg., Denver, Colo., has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of securities of Custom Contracting Company; and the Commission has issued an order (Release IC-3937) giving interested persons until March 31st to request a hearing thereon. Central, a small business investment company, proposes to acquire a note and debentures of Custom in the total principal amount of \$150,000. Custom is engaged in the real estate development business. All its outstanding stock is owned by B. H. Smartt and his wife, who also own 50% of the outstanding stock of Smartt Development Corporation. Central owns the remaining 50% of the Smartt Development stock. Because of such affiliation, the transactions referred to are prohibited by the Investment Company Act unless the Commission grants an exemption from such prohibition. Custom and Smartt propose to jointly construct an apartment house, to which Custom will contribute the \$150,000. The interest of each in the apartment house is to be 50%.

DOHENY LEASING SEEKS ORDER. Doheny Leasing Company, Inc., 776 E. Washington Blvd., Los Angeles, has applied to the SEC for an exemption order under the Investment Company Act with respect to certain proposed transactions with Westland Capital Corporation; and the Commission has issued an order (Release IC-3938) giving interested persons until 12:30 P.M. March 31st to request a hearing thereon. Doheny is engaged in the business of leasing business machine equipment; and Westland is a registered investment company and a small business investment company. Doheny and its 85%-owned subsidiary, Associated Business Machine Sales, Inc., in November 1962 entered into a loan agreement with Westland pursuant to which Doheny borrowed from Westland \$100,000 and issued a 7% subordinated debenture in like amount with a detachable stock purchase warrant entitling Westland to purchase 1,250 shares of Doheny's common stock at varying prices. In addition, Doheny sold to Westland 4,166-2/3 shares, or about 45%, of its common stock for an aggregate consideration of \$1; the president of Doheny, who owned the balance of the stock, delivered to Westland an irrevocable proxy to insure its election of two representatives on Doheny's board of seven directors; and Doheny was given the right to repurchase the 4,166-2/3 shares of Doheny common for \$100,000.

Doheny is in need of additional funds for expansion purposes; and Westland, which is now in the process of liquidation and dissolution, is unable to supply such funds. Accordingly, Doheny has entered into a loan agreement with Capital for Technical Industries (also an SBIC) under which Doheny will issue and sell to CTI \$450,000 of 7 1/2% eight-year subordinated debentures and 2,400 shares of stock (for \$50,000). Doheny also will obtain a bank loan commitment in the amount of \$2,000,000. The \$100,000 subordinated debenture of Doheny held by Westland will be redeemed; and Westland will surrender 3,366-2/3 of the 4,166-2/3 shares of Doheny common for cancellation; and the stock purchase warrant will be terminated.

MIDWEST OIL CORP. FILES STOCK PLAN. Midwest Oil Corporation, 1700 Broadway, Denver, Colo., filed a registration statement (File 2-22157) with the SEC on March 16 seeking registration of 12,000 shares of capital stock, to be offered under the Company's Employee Thrift Plan.

BROWN & SHARPE FILES FOR SECONDARY. Brown & Sharpe Manufacturing Company, 235 Promenade St., Providence, R. I., filed a registration statement (File 2-22160) with the SEC on March 17 seeking registration of 6,000 outstanding shares of common stock. According to the prospectus, the selling stockholders intend to offer the shares within six to nine months in the over-the-counter market, at market prices then prevailing. Brokers through whom such sales are made will receive a commission not in excess of that paid in equivalent New York Stock Exchange transactions.

The company is engaged in the manufacture of machine tools and machinists' precision tools, such as cutting tools and hydraulic valves and pumps. In addition to indebtedness, it has outstanding 411,185 common shares, of which the management officials own 53,384 shares. The largest stockholder is Rhode Island Hospital Trust Company and others, as trustees under the will of Henry D. Sharpe. The selling stockholders are Frederick P. Austin, Jr., Wallace B. Bainton, and Williard H. Spence, Vice Presidents. Henry D. Sharpe, Jr., is President and Director of the company.

MARATHON OIL FILES STOCK PLAN. Marathon Oil Company, 539 S. Main St., Findlay, Ohio, filed a registration statement (File 2-22161) with the SEC on March 18 seeking registration of 360,515 shares of common capital stock, to be offered under the company's Thrift Plan.

ASSOCIATES INVESTMENT PROPOSES OFFERING. Associates Investment Company, 320 Associates Bldg., South Bend, Ind., filed a registration statement (File 2-22162) with the SEC on March 18 seeking registration of \$50,000,000 of debentures due 1985, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York City, and Salomon Brothers & Hutzler, 60 Wall St., New York City. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in time sales financing of consumer and industrial products, in wholesale financing, in making personal installment loans and in industrial and commercial financing. Net proceeds of this financing will be applied to short-term notes due within one year. In addition to indebtedness and preferred stock, the company has outstanding 3,771,349 common shares, of which First Bank and Trust Company of South Bend, Ind., owns 13.57% and management officials 5.58%. The prospectus lists O. J. Charmichael, Jr., as board chairman and E. Douglas Campbell as president.

SECURITIES ACT REGISTRATIONS. Effective March 18: Israel Hotels International, Inc. (File 2-21997).