

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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Statistical Release No. 1975. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended May 15, 1964, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1964 is as follows:

	1957-59 = 100		Percent Change	1964	
	5/15/64	5/8/64		High	Low
Composite	165.0	165.3	-0.2	165.3	153.6
Manufacturing	156.7	157.1	-0.3	157.1	144.6
Durable Goods	152.8	153.3	-0.3	153.3	141.5
Non-Durable Goods	160.5	160.8	-0.2	160.8	147.7
Transportation	157.3*	156.5	0.5	157.3	138.3
Utility	195.9	196.3	-0.2	199.2	192.1
Trade, Finance & Service	195.9*	194.1	0.9	195.9	176.6
Mining	161.0	162.5	-0.9	162.5	139.2

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 14, 1964, 16 registration statements were filed, 35 became effective, 1 was withdrawn, and 279 were pending at the week-end.

NASD EXPULSION OF GENERAL INVESTING CORP. SUSTAINED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7316) sustaining the action of the National Association of Securities Dealers, Inc., in expelling General Investing Corporation, of 55 Broadway, New York City, from NASD membership for violations of its rules of fair practice. Also affirmed was the NASD's revocation of the registration of General Investing's president, Ralph DePasquale, as a registered representative, and an assessment of costs against the firm in the amount of \$1267.

In view of the nature and extent of the violations, which included "excessive mark-ups" in transactions with General Investing's customers, the Commission concluded that the penalties imposed by the NASD were neither excessive or oppressive; and it dismissed the appeal of the respondents from such action.

The NASD had found that customers of General Investing were charged excessive mark-ups in 83 retail sales effected in October 1958, the mark-ups ranging from 12.5% and 37.5% (or from \$25 on transactions involving \$15 and \$200, to \$437.50 on a transaction involving \$2,000). The NASD ruled that this violated its mark-up or so-called "5% policy," generally interpreted to prohibit a member from entering into "any transaction with a customer at a price not reasonably related to the current market price of the security." The Commission affirmed the NASD findings; and it rejected various assertions in defense and mitigation.

The Commission also sustained NASD findings that on some 150 occasions in 1958 General Investing violated provisions of Regulation T and during the period December 1955 to October 1958 failed to register 46 salesmen employed by it.

CASA ELECTRONICS OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Casa Electronics Corporation ("Casa"), of 2233 Barry Ave., West Los Angeles, Calif. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in July 1961, Casa Electronics proposed the public offering of 80,000 common shares at \$2.50 per share. Adams and Company of Los Angeles was named underwriter. The Commission asserts in its suspension order that it has "reasonable cause to believe" that the offering circular was false and misleading in certain material respects. The alleged misrepresentations involved the failure to make proper disclosure of the intended use of the proceeds of the stock sale, including payment of a \$7,500 finder's fee to Bernard Klavir, as well as failure to disclose (a) substantial operating losses of \$35,341 and a \$45,761 loan to the issuer subsequent to the April 30, 1961 date of its financial statements but prior to the date of the offering circular and (b) that the underwriter granted options to purchase shares of the issuer's stock.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company, 702 Tuscarawas Street, West, Canton, Ohio, filed a registration statement (File 2-22416) with the SEC on May 11 seeking registration of 100 units of ownership in its Limited Partnership No. 6, to be offered for public sale at \$2,700 per unit. The partnership will engage in the exploration of gas and oil in Randolph Township, Portage County, Ohio, and/or Morrow County, Ohio. Henry S. Belden III and Glenn A. Blake will act as General Partners of the Limited Partnership and will operate its business.

OVER

MASTER CONSOLIDATED FILES FOR OFFERING. Master Consolidated Inc., 333 West First St., Dayton, Ohio, filed a registration statement (File 2-22422) with the SEC on May 15 seeking registration of 125,000 shares of common stock. The stock is to be offered for public sale through an underwriting group headed by G. H. Walker & Co. Incorporated, 45 Wall St., New York. The public offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly known as Master Vibrator Company) is principally engaged in the manufacture and sale of portable oil-fired space heaters, portable power tools for contractors and a line of tractor-drawn farm equipment. Net proceeds from its stock sale, together with a concurrent term bank loan of \$1,500,000, will be used in part to repay the company's outstanding 5% term notes of \$1,200,000; approximately \$400,000 will be used to purchase machinery, equipment and tooling for the company's new plant in Bowling Green, Ky.; and the remainder will be added to working capital. In addition to indebtedness, the company has outstanding 387,900 shares of common stock, of which management officials as a group own 20%. W. Walker Lewis, Jr., is listed as board chairman and F. E. Burnham as president.

LUBRIZOL CORP. FILES STOCK PLAN. The Lubrizol Corporation, 29400 Lakeland Blvd., Wickliffe, Ohio, filed a registration statement (File 2-22423) with the SEC on May 15 seeking registration of 15,000 shares of common stock, to be offered under its Employee Stock Purchase Plan.

MISSISSIPPI POWER PROPOSES BOND OFFERING. Mississippi Power Company, 2500 - 14th St., Gulfport, Miss., filed a registration statement (File 2-22424) with the SEC on May 15 seeking registration of \$10,000,000 of first mortgage bonds (due 1994), to be offered for public sale at competitive bidding. The company is engaged in the generation and purchase of electric energy and the distribution and sale of such energy at retail within the southeastern portion of Mississippi. Net proceeds from its bond sale will be used for property additions and improvements (estimated at \$55,905,000 through 1966) and for the payment of short-term bank loans made for such purposes (estimated at \$4,000,000).

HENRY SANDKUHL CITED. The SEC New York Regional Office announced May 6th the entry of a Federal court order (USDC NJ) directing Henry Sandkuhl, president of Sandkuhl & Company, Inc., Newark broker-dealer firm, to appear and show cause why he should not be punished for criminal contempt for disobedience of court orders directing Sandkuhl to discontinue activities in violation of the SEC net capital rule. (LR-2929)

INDICTMENT NAMES VINCENT LEE HUMPHREYS. The SEC Seattle Regional Office announced May 11th (LR-2930) the arrest of Vincent Lee Humphreys following his indictment (USDC WD Wash.) on charges of violating the Securities Act anti-fraud provisions in the sale of certain securities.

ZIMET BROS., HELENE PETROLEUM ENJOINED. The SEC New York Regional Office announced May 14th (LR-2931) the entry of a Federal court order (USDC SDNY) permanently enjoining Zimet Bros., Inc., and Helene Petroleum Corporation, as well as Martin J. Zimet, president of both firms, and Sidney Zimet, vice president, all of New York City, from further violating the Securities Act registration and anti-fraud provisions in the sale of oil interests. Also enjoined was Zimet Bros, a partnership composed of the two Zimets. All defendants consented to the court order.

CANTER, CANTOR, GABAEFF AND PEERLESS-NEW YORK INDICTED. The SEC New York Regional Office announced May 15th (LR-2932) the return of a Federal court indictment (USDC SDNY) charging Michael Canter, Edward S. Cantor, Murray Gabaeff, a/k/a Murray Gold, a/k/a Harry Kaye, and Peerless-New York, Inc. in the offer and sale of securities of Belmont Oil Corporation. Also named as co-conspirators were: Morton Binstock, Ernest Blythe, G. R. Dean, Donald L. Duncan, Joel A. Fox, Max Hammerling, Ed Harris, David Mandel, Myron Rosenthal, Vincent Schwenoha, Louis Shomberg, Nathan Suess, Arthur Tortorello, Stanley Ira Younger and Globe Securities Corp.

INDICTMENT NAMES DONALD DUNCAN, GLOBE SECURITIES. The SEC New York Regional Office announced May 15th (LR-2933) the return of a Federal court indictment (USDC SDNY) charging Donald L. Duncan and Globe Securities Corp. with violating the Securities Act anti-fraud provisions in the offer and sale of Belmont Oil Corporation stock. Named as co-conspirators were: Ernest Blythe, Morton Binstock, G. R. Dean, Joel A. Fox, Max Hammerling, Ed Harris, David Mandel, Myron Rosenthal, Vincent Schwenoha, Arthur Tortorello, Stanley Ira Younger, Michael Canter and Edward S. Cantor.

W. R. GRACE FILES STOCK PLAN. W. R. Grace & Co., 7 Hanover Sq., New York, N. Y., filed a registration statement (File 2-22425) with the SEC on May 15 seeking registration of 471,285 shares of common stock, to be offered under its 1963 Stock Option Plan and Options Granted in Connection with Acquisitions.

SECURITIES ACT REGISTRATIONS. Effective May 13: Potomac Electric Power Co. (File 2-22344); Effective May 15: The Sherwin-Williams Co. (File 2-22387); Effective May 16: Sears, Roebuck & Co. (File 2-22363).

*As estimated for purposes of computing the registration fee.