

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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SEC ORDER CITES HUNTINGTON SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Huntington Securities Co., Inc., of 80 Wall St., New York. The said firm ("Huntington") has been registered with the Commission as a broker-dealer since October 1960 and is a member of the National Association of Securities Dealers, Inc. Benjamin Stein is president; and in an amendment to the registration application filed in July 1962 it was reported that Stein, Louis Baloff and Samuel Mack each owned 10% or more of its equity securities.

The proceedings are based on staff charges that Huntington violated the Commission's net capital rule, failed to file a report of financial condition during 1963 and to comply with the Commission's record-keeping requirements, and failed to report that from June 25, 1962, Stein was the sole owner of its outstanding equity securities.

A hearing will be held (at a time and place to be announced) to take evidence on the staff charges and afford Huntington and Stein 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 remedial nature is appropriate in the public interest.

INDICTMENT NAMES WORLD WIDE AUTOMATIC ARCHERY. The SEC Seattle Regional Office announced May 28th (LR-2946) the return of an indictment (USDC, Seattle) charging World Wide Automatic Archery, Inc., of Seattle with violations of the Securities Act anti-fraud provisions in the sale of its common stock. Also named as defendants were Gerald B. Hegg, Samuel T. Mendenhall, LeRoy F. Robbins, and Hanford B. Choate.

D. M. WALLACH SENTENCED. The SEC Boston Regional Office announced May 28th (LR-2947) that Donald M. Wallach of Brookline, Mass., received a one-year suspended sentence and was placed on probation for two years after a "nolo" plea to an indictment charging violations of the Securities Act anti-fraud provisions.

TWO ENJOINED IN SALE OF JEROME-RICHARD STOCK. The SEC New York Regional Office announced May 28th (LR-2948) the entry of a Federal court order (USDC SDNY) permanently enjoining Laurence H. Ross of New York City and George Herman of Riverdale, N. Y., from violating the anti-fraud and anti-manipulative provisions of the Federal securities laws in the sale of stock of Jerome, Richard & Co., Inc.

FOUR ENTER GUILTY PLEAS. The SEC announces (LR-2949) that on May 28th Albert Bernstein, Irving Bernstein, Morrison Gilbert and Joel Alfred Winston pleaded guilty (USDC SDNY) to charges of violating the Securities Act registration and anti-fraud provisions in the sale of stock of American Laduc Petroleum, Ltd., through J. A. Winston & Co., Inc., of New York. The indictment named these defendants along with the Winston firm, Lowell M. Birrell and several others.

XEROX FILES STOCK PLAN. Xerox Corporation, 700 Midtown Tower, Rochester, N. Y., filed a registration statement (File 2-22472) with the SEC on June 1 seeking registration of \$6,000,000 of participating interests in its Profit Sharing Retirement Plan for Salaried Employees, together with 51,009 shares of common stock which may be acquired pursuant thereto.

NORTHERN STATES POWER PROPOSES OFFERING. Northern States Power Company, 15 S. Fifth St., Minneapolis, filed a registration statement (File 2-22476) with the SEC on June 1 seeking registration of 150,000 shares of cumulative preferred stock (\$100 par value), to be offered for public sale at competitive bidding. The company is a public utility engaged principally in the business of furnishing electric and natural gas service in Minnesota, North Dakota, South Dakota and Wisconsin. Net proceeds from its stock sale will be used to repay an equal amount of bank loans (aggregating approximately \$19 million), which were incurred for construction purposes. Construction expenditures for 1964 are estimated at \$50.2 million. In addition to indebtedness and preferred stock, the company has outstanding 15,440,164 shares of common stock, of which management officials as a group own 20,326 shares. Allen S. King is listed as board chairman and Earl Ewald as president.

GENERAL WATERWORKS FILES STOCK PLAN. General Waterworks Corporation, 3219 Philadelphia Pike, Claymont, Del., filed a registration statement (File 2-22477) with the SEC on June 1 seeking registration of 75,000 shares of common stock, to be offered under its Employee Stock Option Plan of 1963.

A&P FILES STOCK PLAN. The Great Atlantic & Pacific Tea Company, Inc., 420 Lexington Ave., New York, filed a registration statement (File 2-22478) with the SEC on June 1 seeking registration of \$45,000,000 of participations in its Employees' Thrift Plan, together with 450,000 shares of common stock which may be acquired pursuant thereto.

CONSOLIDATION COAL FILES STOCK PLAN. Consolidation Coal Company, Koppers Bldg., Pittsburgh, filed a registration statement (File 2-22479) with the SEC on June 2 seeking registration of 375,000 shares of common stock, to be offered under its Stock Option Plan.

OVER

NEW JERSEY POWER PROPOSES OFFERING. New Jersey Power & Light Company, Madison Ave. at Punch Bowl Rd., Morristown, N. J., filed a registration statement (File 2-22480) with the SEC on June 2 seeking registration of \$6,000,000 of debentures (due 1989), to be offered for public sale at competitive bidding. The company is an electric public utility furnishing service within the State of New Jersey. Of the net proceeds from its debenture sale, \$1,000,000 will be used to reimburse the company's treasury for 1964 construction expenditures (estimated at \$7,830,000), and \$5,000,000, together with \$3,000,000 in cash capital contributions heretofore made to the company by its parent, General Public Utilities Corporation, will be used to reimburse its treasury for construction expenditures prior to 1964.

MISSISSIPPI POWER ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15081) approving a proposal by the Mississippi Power Company, Gulfport, Miss., to issue and sell at competitive bidding \$10,000,000 of first mortgage bonds due 1994. Net proceeds from the bond sale will be used for property additions and improvements (estimated to aggregate \$21,343,723 for 1964) and for payment of outstanding short-term bank loans incurred for such purpose.

GEARHART-OTIS, MCCOY-WILLARD FIRMS REVOKED. In a decision under the Securities Exchange Act announced today (Release 34-7329), the SEC revoked the broker-dealer registrations of Gearhart & Otis, Inc., of 74 Trinity Place, New York City, and McCoy & Willard, of 30 Federal St., Boston, Mass., for violations of the Securities Act registration and anti-fraud provisions. Gearhart & Otis ("G&O") also was expelled from membership in the National Association of Securities Dealers, Inc.; and Frederick D. Gearhart, Jr. and Edward V. Otis were each found to be a cause of the revocation of Gearhart-Otis' registration, and William D. McCoy and Alvin Willard were each found to be a cause of the revocation of the registration of McCoy & Willard ("M&W").

In its decision (written by Commissioner Whitney), the Commission ruled that the two firms and four individuals violated the Securities Act registration requirements in their 1953-1954 sales of Air America, Inc., common stock; that in the sale of Air America Series B certificates, G&O, Gearhart and Otis, as well as McCoy, violated the anti-fraud provisions of the Act; that G&O and Gearhart violated the said anti-fraud provisions in the sale of Air America stock, as did M&W and Willard; that Gearhart violated Section 7 of the Securities Act by reason of his responsibility for misleading information contained in a registration statement filed by National Lithium Corporation (which statement was suspended by a stop order issued by the SEC on July 6, 1961); and that G&O, Gearhart and Otis also sold National Lithium stock in violation of the Securities Act registration requirement, as well as shares of American States Oil Company. (According to the decision, M&W had previously ceased doing business).

PENSION FUNDS ASSETS REPORTED. The SEC announces (for June 4th Newspapers) that the assets of private pension funds, other than insured plans, amounted to \$46.6 billion at the end of 1963. The SEC survey showed that during 1963 there was a net increase of \$4.7 billion in fund assets, more than in any preceding period, reflecting enlarged contributions and greater investment income and profits from the sale of securities, together with a slower rise in benefit payments to pensioners. The survey also indicated that the volume of transactions by pension funds in the stock market was greater than in any previous period. At the end of 1963 corporate securities accounted for \$38.4 billion of pension fund investments, or 82 percent of all their assets, at book value. Of this total \$19.6 billion was invested in corporate bonds and \$18.8 billion in common and preferred stock issues. Holdings of U. S. Government obligations totaled \$3.0 billion, real estate mortgages amounted to \$2.2 billion, and cash and other assets made up the balance of \$2.9 billion. Common stock issues continued to be the most important investment outlet for pension funds. In 1963, half of pension fund net receipts were used to acquire such securities. (For additional details, see release S-1978).

THOMPSON RAMO WOOLDRIDGE FILES EXCHANGE PLAN. Thompson Ramo Wooldridge, Inc., 23555 Euclid Ave., Cleveland, filed a registration statement (File 2-22475) with the SEC on June 1 seeking registration of 107,960 shares of common stock and 79,089 shares of \$4.25 Series A cumulative convertible preference stock. These shares are part of the Thompson Ramo stock to be issued in connection with the company's acquisition of Marlin-Rockwell Corporation (for which it proposes to exchange 348,630 shares of common and 348,630 shares of Series A preference stock) and Ross Gear and Tool Company, Inc. (for which 304,905 shares of common and 216,074 shares of Series A preference stock are to be exchanged).

The principal business of the company is the manufacture and sale of engines and other parts for automobiles, trucks and tractors; the performance of research, consulting and advisory services and the manufacture and sale of products in the missile and space and electronics fields; and the manufacture and sale of aircraft components and other miscellaneous products. Upon the acquisition of Marlin-Rockwell and Ross Gear, it will also engage in the manufacture of ball and roller bearings and of mechanical and power steering units. The company has outstanding 3,763,990 shares of common stock. J. D. Wright is listed as board chairman and H. A. Shepard as president.

SECURITIES ACT REGISTRATIONS. Effective June 2: R. R. Donnelley & Sons Co. (File 2-22405); S. Klein Department Stores, Inc. (File 2-22394). Effective June 3: Airport Boulevard Hotel Corp. (File 2-22006); Connecticut Western Mutual Fund, Inc. (File 2-21819); The Hertz Corp. (File 2-22152); Municipal Investment Trust Fund - Series B (File 2-18030); Scientific Data Systems, Inc. (File 2-22403); Seaboard Finance Co. (File 2-22130); Variable Annuity Life Insurance Co. of America (File 2-22301).
Withdrawn June 2: Transnational Corp. (File 2-22327).