

NEWS DIGEST

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



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INVESTMENT ADVISER REGISTRATION FORM REVISED. The SEC today announced the adoption of an amendment to its Form ADV, the form of application for registration as an investment adviser under the amended Investment Advisers Act of 1940 (Release IA-112). The Commission also has adopted a new Form ADV-SUP to be filed by investment advisers already registered and those who have applications pending May 1, 1961, the effective date of the new and amended forms.

It is expected that copies of the amended Form ADV and the new Form ADV-SUP will be available at the Commission's Headquarters and Regional Offices by the middle of April. After the forms are available the Commission will permit their use, even before May 1st.

Under the Advisers Act, as amended, new and additional grounds for the denial, suspension or revocation of an adviser's registration are provided, as follows: (1) conviction of a felony or misdemeanor involving mail fraud; fraud by wire, telephone, radio or television; or embezzlement, fraudulent conversion or misappropriation of funds or securities; (2) wilful violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, or any rule or regulation under any of such acts; or (3) aiding or abetting any other person's violation of any of such acts, rules or regulations. The amendments also provide that any of the above disqualifications by a controlled person, including an employee, (as well as by a partner, officer, director or controlling person) may also be a basis for denial, suspension or revocation.

As amended, Item 8 of Form ADV requires the furnishing of information to disclose whether any of the persons mentioned above is subject to any disqualification under the Act, as amended. Some other changes have been made to the form to obtain certain additional information, to clarify the instructions, to simplify its use, and to simplify its processing at the Commission. Thus, Item 10 requests more specific information concerning the investment adviser's business; Item 11 has been revised to reflect the amendment of Section 208(c) of the Act, which changes the conditions under which an investment adviser may use the designation or title "investment counsel"; and Item 9 requires the furnishing of information concerning the education and experience of key personnel.

FASTOFF CROWN CORP. 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 proposed public offering of stock by Fastoff Crown Corporation, of Rockville, Ind.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed in June 1960, Fastoff Crown proposed the public offering of 2,669 shares of common stock at \$100 per share. The Commission's suspension order asserts that certain terms and conditions of Regulation A were not complied with; that the company's offering circular contains false and misleading representation of certain material facts; and that the stock offering would violate Section 17(a) (the anti-fraud provision) of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the Commission's order, it appears that Fastoff Crown's offering circular fails to disclose in the forepart certain factors regarding the speculative nature of the company's business and those affecting the value of the shares being offered; is misleading in its description of the company's past and proposed business operations; fails to disclose the cost to promoters and management officials of patent rights transferred by them to the company in return for cash and company stock; and fails to disclose that the company has no funds with which to honor its offer to rescind past stock sales in violation of the Securities Act registration requirement, that such funds would necessarily have to come from the proceeds of the proposed offering, and that such funds would not be available for use in the company's business. Moreover, the order asserts that certain terms and conditions of Regulation A were not complied with by reason of the company's failure, among other things, to include in the offering circular a reasonably itemized statement of the purposes for which the net cash proceeds of the sale of stock would be used and to disclose therein all direct and indirect interests of each management official in the company and in material transactions or proposed transactions with the company and an adequate description of the company's proposed product, the market therefor, properties held or to be acquired, and the serial number and date of the patent allegedly held by the company.

THOMAS E. ROBERTSON CONVICTED. The SEC Washington Regional Office announced February 2d (LR-1904) that a Federal jury (USDC SDNY) had returned a verdict of guilty against Thomas E. Robertson, American-Canadian Oil & Drilling Corporation and Thomas E. Robertson Co., Inc., on sixteen counts of a twenty-count indictment charging fraud in offer and sale of American-Canadian Oil stock.

CENTENNIAL FUND II RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release 40-3184) granting an application of Centennial Fund II, Inc., Denver investment company, for an exemption from the requirement of Section 14(a) of the Act that an investment company may not make a public offering of securities unless it has a net worth of at least \$100,000. The Fund will offer its shares in exchange for securities held by individual investors.

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UNLISTED TRADING GRANTED. The SEC has granted applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of H. J. Heinz Company, Singer Manufacturing Company, and Varian Associates (Release 34-6464).

HILLER REALIZATION STOCK DELISTED. The SEC has granted an application of the Pacific Coast Stock Exchange to strike the capital stock of Hiller Realization Corporation (formerly Hiller Aircraft Corp.) from listing and registration, effective at the close of the trading session on February 17, 1961, the company having declared a final liquidating dividend in shares of Electric Auto-Lite Co. (Release 34-6464).

TRADING SUSPENDED IN UNITED INDUSTRIAL CORP. The SEC has issued an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 temporarily suspending trading, for the further ten-day period February 5 to 14, 1961, inclusive, in the common and preferred stocks of United Industrial Corporation, of Los Angeles, and in common stock purchase warrants. The suspension applies to trading in such of these securities as are listed or traded on the American, Detroit, New York and Pacific Coast Stock Exchanges, and, pursuant to Rule 15c2-2, to trading therein in the over-the-counter market.

The original suspension, announced by the Commission on January 16th, followed an announcement of changes in the top management of the company and of write-downs and adjustments aggregating some \$7,000,000 in its inventories, accounts receivables and other assets. These developments raised serious questions whether financial and other information previously filed by the company with the Commission is complete and accurate and whether such information could be relied upon by public investors in their evaluation of the company's securities. An independent accounting firm is making a detailed audit of the company's books and records, the report of which is expected to be available in March.

HOOVER BALL & BEARING FILES STOCK PLAN. Hoover Ball and Bearing Company, 135 East Bennet St., Saline, Mich., filed a registration statement (File 2-17563) with the SEC on February 2, 1961, seeking registration of 43,664 shares of common stock, to be offered under and pursuant to the company's restricted stock option plan for key executives.

EXECUTIVE FUND PROPOSES OFFERING. Executive Fund, Inc., 229 West Berry St., Fort Wayne, Ind., filed a registration statement (File 2-17564) with the SEC on February 2, 1961, seeking registration of 2,500,000 shares of common stock. The Fund was organized under Maryland law in November 1960. Phil J. Schwanz is president. The Fund has entered into management and distribution agreements with Executive Management Corporation of Fort Wayne, which will serve as principal underwriter of the Fund's shares. The said Management Corporation is owned by Midwestern Companies, Inc. Schwanz is board chairman of the Management Corporation and president and shareholder of Midwestern Companies.

LACLEDE GAS FILES STOCK PLAN. Laclede Gas Company, 1017 Olive St., St. Louis, today filed a registration statement (File 2-17565) seeking registration of 150,000 shares of common stock, to be offered to officers and executive personnel pursuant to the company's Restricted Stock Option Plan.

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