

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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Washington 25, D.C.

FOR RELEASE June 19, 1959

KEITH RICHARD SECURITIES REGISTRATION REVOKED

In a decision announced today (Release 34-5988), the SEC revoked the broker-dealer registration of Keith Richard Securities Corp., 135 Broadway, New York, for fraud in the sale of securities and other violations of the Federal Securities Laws.

The Commission also held that Julius Silver, president and sole stockholder, William Rubenstein, former president, Samuel Goldberg, former sales manager, and G. Norman Waldman and Hyman Germanowitz, former salesmen, are each a cause of the revocation order.

The Commission found that, in the sale of Arliss Plastics Corporation stock between May 1956 and November 1957, the Keith Richards Securities Corp. made fraudulent misrepresentations concerning the possible acquisition of Arliss by or merger with another company and the resulting benefits to Arliss shareholders; prospective dividend payments by Arliss; government contracts held by Arliss; the prospects that Arliss stock would double, triple, or quadruple in price; and the possible listing of Arliss stock on an exchange.

According to the Commission's decision, merger negotiations never proceeded beyond very preliminary exploratory discussions; Arliss had no government contracts; there were no plans for listing the stock; and there was no reasonable basis for predicting values of \$4 or \$8 per share for the stock or that dividends thereon would be paid in the near future. The company had an earned surplus deficit of \$335,416 at October 31, 1956; and its total reported assets of \$285,575 included inventory carried at \$220,000.

Other violations included failure to comply with the Commission's net capital rule and its rules governing the making and maintenance of proper books and records.

VIOLATIONS CHARGED TO INTERNATIONAL INVESTMENTS, INC.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether International Investments, Inc., 1160 21st Street, N. W. Washington, D. C., has sold stock of International Corporation and Alaskan Development Corporation in violation of the registration and anti-fraud provisions of the Securities Act of 1933 and, if so, whether it is in the public interest to revoke the broker-dealer registration of International Investments, Inc., and/or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

An initial hearing will be held on Wednesday, June 24, 1959, at 2:00 P. M., at the main office of the Commission, for the purpose of determining whether International Investments' broker-dealer registration should be suspended pending further hearings and final decision on the question of revocation.

According to the Commission's order, information developed in an investigation conducted by its staff tends to show that John K. Gibbs, president, director, and holder of 10% or more of the stock of International Investments, Inc., sold International Corporation stock in violation of the Securities Act registration requirement, and that both International Investments, Inc., and Gibbs sold Alaskan Development stock also in violation of the Securities Act registration requirement. The order also asserts that Gibbs, in connection with his sale of the International Corporation stock, and both International Investments and Gibbs in connection with their sale of the Alaskan Development stock, engaged "in transactions, practices and a course of business which operated as a fraud and

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deceit upon purchasers". In the case of International Corporation the order alleges that Gibbs obtained money and property by means of false and misleading statements of material facts and omissions to state material facts concerning, among other things, the corporate status of International Corporation, the registration of its securities, its anticipated earnings, and the identity of its officers and directors. The misrepresentations and omissions with respect to Alaskan Development Corporation related to, among other things, the future price of the Alaskan Development stock, the registration of its securities, and Gibbs' "substantial investment" in the corporation.

In a court action filed by the Commission, Gibbs was permanently enjoined on June 11, 1959, by the U. S. District Court for the District of Columbia from selling the securities of International Corporation in violation of the registration and anti-fraud provisions of the Securities Act of 1933. Gibbs consented to the entry of the decree.

P. J. RITTER FILES EXCHANGE OFFER

P. J. Ritter Company, Bridgeton, N. J., filed a registration statement (File 2-15247) with the SEC on June 18, 1959, seeking registration of 4,827 shares of its preferred stock, noncumulative, voting, \$100 par value, and 60,018 shares of its common stock, no par value. Ritter proposes to offer to the holders of preferred and common stock of Brooks Foods, Inc., the privilege of exchanging such shares for preferred and common stock of Ritter at the rate of one share of Ritter preferred stock for each share of preferred stock of Brooks and two shares of common stock of Ritter for each share of common stock of Brooks. The exchange offer is being made by Ritter in accordance with its agreement with Brooks and certain of its stockholders who own an aggregate of 18,805 shares of its outstanding common stock, or approximately 62.5% of such stock, and who have agreed to accept the exchange offer upon effectiveness of the registration statement.

P. J. Ritter Company was incorporated under the laws of Pennsylvania as the Philip J. Ritter Conserve Company in 1882 successor to a business established by Philip J. Ritter in 1854, and its corporate name was changed to the P. J. Ritter Company in 1918. The company is engaged in the processing and sale of food specialties, principally in consumer packages, over 80 per cent of which are sold under the advertised brand name "Ritter" and the balance are packed for private label distributors. The company's wholly-owned subsidiary, Ritter Seed Company, also located in Bridgeton, N. J., is engaged in the breeding, growing, and sale of tomato and pepper seed. Brooks was incorporated under Delaware law as The G. S. Suppiger Company on July 20, 1927, and its corporate name was changed to Brooks Foods, Inc., on January 7, 1957. Its principal office is located at Collinsville, Illinois. Brooks' principal product is catsup and other tomato products sold under the Brooks' label.

FOUNDATION FUNDS SEEK REGISTRATION OF SHARES

Foundation Balanced Fund, Inc., and Foundation Stock Fund, Inc., newly-formed investment companies, both located at 418 Union Street, Nashville, Tenn., filed registration statements (File 2-15248 and 2-15249) with the SEC on June 18, 1959, each seeking registration of 100,000 shares of its common stock, \$1 par value. J. C. Bradford & Co. is the investment adviser, and Capital Planning Services, Inc., the distributor of shares of both Funds.

STRATEGIC MINERALS CORP. HEARING AGAIN POSTPONED

The SEC has authorized a further continuance, from June 22, 1959, to July 8, 1959, at 2:00 P. M., of the hearing in the proceedings under the Securities Act of 1933 to determine whether the registration statement of Strategic Minerals Corporation of America, Dallas, Texas, is false and misleading and, if so, whether a stop order should be issued suspending its effectiveness. The statement proposed the public offering of \$1,000,000 of bonds and 1,200,000 common shares. The parties have been negotiating a factual stipulation which would avoid the necessity of an evidentiary hearing, and the continuance will allow additional time for the parties to reach an agreement on the stipulation. (See Release 33-4059 and SEC News Digests of 3/25/59 and 5/22/59.)

ACME TOOL (POLYTRONIC RESEARCH) HEARING POSTPONED

The SEC has postponed the hearing set for June 22, 1959, on the question whether to vacate or make permanent its order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Acme Tool & Engineering Corporation of

412 Howard Ave., Kensington, Md. (now Polytronic Research, Inc., of Rockville, Md.). The hearing was postponed pending a determination by the Commission of a motion filed by its staff that the hearing in the Acme Tool matter be consolidated with the hearing in the stop order proceedings brought by the Commission against Advanced Research Associates, Inc., also of Kensington, Md. The staff's motion alleges that the two proceedings involve common questions of fact or law.

GREENBAY & WESTERN RAILROAD DELISTING FROM NEW YORK STOCK EXCHANGE PROPOSED

The SEC has issued an order (Rel. 34-5991) giving interested persons until July 1, 1959, to request a hearing upon an application of the New York Stock Exchange to strike from listing and registration on the Exchange the Capital Stock and Class A and Class B Debentures of Green Bay & Western Railroad Company.

PACIFIC COAST STOCK EXCHANGE REQUESTS DELISTING OF SPALDING COMMON STOCK

The SEC has issued an order (Rel. 34-5991) giving interested persons until July 1, 1959, to request a hearing upon an application of the Pacific Coast Stock Exchange to strike from listing and registration on the Exchange the Common Stock of A. G. Spalding & Bros., Inc., by reason of the negligible trading volume on that Exchange. The issuer has consented to the proposed delistment, and the stock remains listed and registered on the New York Stock Exchange.

PHILADELPHIA-BALTIMORE EXCHANGE SEEKS UNLISTED TRADING IN MAY STORES STOCK

The SEC has issued an order (Rel. 34-5991) giving interested persons until July 3, 1959, to request a hearing upon an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stock of The May Department Stores, which stock is listed and registered on the New York Stock Exchange.

CANADIAN RESTRICTED LIST Fourth Supplement

The SEC today announced the addition of the following Canadian companies to its Canadian Restricted List:

DuMaurier Mines Limited
Kateri Mining Company Limited
Queensland Explorations Limited
Upper Ungava Mining Corporation Limited

The list comprises the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

TRADING IN JACOBS CO. STOCK SUSPENDED

The SEC has issued an order (Release 34-5992) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter markets for a further ten-day period, from June 21, 1959, to June 30, 1959, inclusive.

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