SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

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

Washington 25, D.C.

FOR RELEASE June 6, 1960

Statistical Release No. 1682. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended June 3, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent	1960	
	6/3/60	5/27/60	Change	High	Low
Composite	398.5	394.8	+0.9	432.5	388.8
Manufacturing	473.8	470.6	+0.7	538.9	464.5
Durable Goods	461.3	455.1	+1.4	521.6	446.5
Non-Durable Goods	476.2	475.8	+0.1	544.4	472.1
Transportation	284.0**	289.1	-1.4	329.3	284.0
Utility	238.7*	233.9	+2.1	238.7	216.1
Trade, Finance & Service	449.8*	443.5	+1.4	449.8	414.7
Mining	249.6	248.4	+0.5	299.7	243.5

*New High
**New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended June 2, 1960, 39 registration statements were filed, 28 became effective, and 369 were pending at the week end.

FRAUD CHARGED IN SALE OF MOUNTAIN STATES OIL & URANIUM STOCK. The Denver Regional Office announced May 31st (Lit. Release 1695) the return of an indictment (USDC, Kansas City, Kan.) charging fraud in the sale of stock of Mountain States Oil and Uranium Corp. by the said company and Owen H. Henson, Charles C. Floyd, Jack T. Wilson, and Jess Hickey, as well as violation of the Securities Act registration requirement.

BEST SECURITIES REGISTRATION REVOKED. In a decision announced today (Release 34-6282), the SEC revoked the broker-dealer registration of Best Securities, Inc., 135 Broadway, New York, for "gross misrepresentations" in the sale of stock and "a fraudulent course of business."

Ludwig J. Kabian, president and sole stockholder, Morton Levenston, sales manager, and Judah Cohen (also known as Judd Cohen), sales representative, were each found to be a cause of the revocation order, which also expelled Best Securities ("Respondent") from membership in the National Association of Securities Dealers, Inc. The Respondent waived a hearing and consented to the revocation and expulsion order; and the three individuals consented to the finding that they were each a cause of the order.

According to the Commission's decision, during the period March-June 1959, Respondent sold about 115,000 shares of North Carolina Telephone Company stock to 300 investors at prices ranging from 2-5/16 to 3-3/8 per share. The shares were offered and sold by Respondent and its salesmen to members of the public in all sections of the country and in practically every state by means of long distance telephone calls. Investors were induced to purchase the stock through false and misleading representations, including predictions of future price rises in the stock and representations that dividends would be paid in the near future and that the Telephone Company would merge with American Telephone & Telegraph or Southern Bell Telephone. In fact, North Carolina Telephone lost money in 1957 and 1958 and was not in a position to pay dividends in the near future, and there was no basis for stating that dividends would be paid, that the price of the stock would rise in the near future, or that there would be a merger with either of the two other companies. The activities were described by the Commission as being "of a type customarily used to place a customer in a position where he is asked to make a hasty decision to buy securities of a speculative nature on the basis of oral and undocumented representations promising quick profits by an unseen and unknown person skilled in high-pressure selling techniques and inaccessible to complaints. This type of treatment of customers is neither fair nor in accordance with the standards of the profession."

OVER

Although admitting that he controlled Respondent, Kabian denied that he authorized misrepresentations by its salesmen. However, he had a duty to supervise his sales force, and the fact that Livenston and Cohen made identical misrepresentations in the offer and sale of the Telephone Company stock raises the inference, the Commission stated, "that they were employing an agreed upon sales 'pitch,' which could hardly have occurred without the knowledge of responsible persons in the firm and the firm was clearly chargeable with such knowledge and the responsibility for the misrepresentations."

BANK FUND OF MAINE SEEKS ORDER. Bank Fiduciary Fund of Maine, Portland, investment company, has applied to the SEC for an exemption order under the Investment Company Act; and the Commission has issued an order (Release 40-3039) giving interested persons until June 20, 1960, to request a hearing thereon.

The Fund was organized in October 1959 to serve as a medium for the common investment of trust funds held in a fiduciary capacity by banks and trust companies in Maine. Its shares may be purchased by eligible banks and trust companies at the initial offering price of $100 per share without any sales load. The Fund seeks an exemption order (a) to permit its present board of directors to serve until the next annual meeting of shareholders; (b) to provide an exemption from the Commission's proxy rules; and (3) to provide an exemption from the Securities Act registration requirement in the offering and sale of shares to eligible banks and trust companies in Maine.

CLEVITE CORP. FILES STOCK PLAN. Clevite Corporation, 17000 St. Clair Ave., Cleveland, filed a registration statement (File 2-16670) with the SEC on June 3, 1960, seeking registration of 150,000 shares of common stock, to be offered pursuant to the company's Stock Option Plan.

CONETTA MFG. PROPOSES OFFERING. Conetta Mfg. Co., Inc., 73 Sunnyside Ave., Stamford, Conn., filed a registration statement (File 2-16671) with the SEC on June 3, 1960, seeking registration of 125,000 shares of Class A common stock, to be offered for public sale at $4 per share. The offering is to be made on a best efforts, all or none basis by Pearson, Murphy & Co., Inc., for which it will receive a commission of 60¢ per share plus $15,000 for expenses. The underwriter may purchase, at 1¢ per warrant, warrants to purchase 10,000 Class A shares exercisable within three years at $4 per share.

The company was organized in September 1959 to acquire and operate The Conetta Tool and Die Company, Inc., and its subsidiaries, Key Manufacturing Co., Inc., and Knoxville Tool and Die, Inc., as well as The Stamford Carbide Company, Inc., the assets of which were acquired by Conetta Tool on August 13, 1959. Conetta Tool was wholly owned by Louis D. Conetta (president of Conetta Mfg.) and members of his family who transferred to the company all the outstanding shares of Conetta Tool in return for 150,000 shares of the company's Class B common stock. The company then caused the merger of the two Conetta companies. It is primarily engaged both in the design, engineering, manufacturing and repair of small precision tools, dies, jigs and fixtures, and in parts prefabrication by zinc die casting, metal stamping and machining. The two subsidiaries are similarly engaged in the Nashville and Knoxville areas; and Stamford Carbide is engaged primarily in the manufacture of small carbide forms and cutting tools and dies. Net proceeds of the stock sale will be used for repayment of some $108,000 of indebtedness, to purchase $144,000 of additional machinery and equipment, and for working capital and other corporate purposes.

The company now has outstanding 20,755 Class A and 150,000 Class B shares. Louis D. Conetta owns 135,000 Class B shares; and members of his family own the remaining 15,000 Class B shares and 400 Class A shares.

---ooo0ooo---