

# 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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**SEC FILES LEGISLATIVE PROPOSALS.** The SEC today submitted to Congress proposals for amendment of the Securities Exchange Act of 1934 and -- in one respect -- the Securities Act of 1933 (Release 34-7088). The program is directed at the following: (1) improving investor protection in the over-the-counter market by extension of the reporting requirements, proxy rules, and "insider trading" provisions -- now applicable to "listed companies" -- to certain companies whose securities are traded in the over-the-counter market; (2) strengthening the standards of entrance into the securities business, extending the coverage of self-regulation, and refining Commission disciplinary controls over brokers, dealers and their employees; and (3) assuring more adequate dissemination of information about companies that for the first time raise public capital through a registered offering by lengthening the period for delivery of prospectuses, with corresponding authority in the Commission to shorten this period.

**XEROX FILES FOR SECONDARY.** Xerox Corporation, 1250 Midtown Tower, Rochester, N. Y., filed a registration statement (File 2-21463) with the SEC on May 31 seeking registration of 18,449 outstanding shares of common stock, to be offered for public sale by the holders thereof on the New York Stock Exchange or in the over-the-counter market at prices then prevailing on such Exchange or at negotiated prices (maximum \$208 per share\*).

The company is engaged in the manufacture and marketing of products for xerographic and photocopy reproduction and for photographic use. In addition to certain indebtedness, it has outstanding 3,853,144 shares of common stock, of which management officials as a group own 3.8%. Sol M. Linowitz is board chairman and Joseph C. Wilson is president. The 18,449 shares are to be offered by Alfred B. Connable and Edward M. Hindert, of Kalamazoo, Michigan, as trustees under three separate trusts created in 1962 by Eugene B. Power, Sadye H. Power (his wife), and Philip H. Power (his son), respectively, and of which they are the principal beneficiaries. The shares are part of 51,850 shares issued to the Powers in April 1962 in exchange for all of the assets (subject to substantially all of the liabilities) of E and S Realty, Inc., of Ann Arbor, and an interest in a small British affiliate. The principal assets acquired were the stock of Realty's two-wholly-owned subsidiaries, University Microfilms, Inc., and Microfilms, Inc. Eugene B. Power, a director of the company, is president of the two subsidiaries.

**EBERSTADT INCOME FUND FILES FOR STOCK OFFERING.** The Eberstadt Income Fund, Inc., 65 Broadway, New York, filed a registration statement (File 2-21462) with the SEC on May 31 seeking registration of 2,000,000 shares of capital stock, to be offered for public sale at net asset value plus a selling commission of 8½%. F. Eberstadt & Co., Managers & Distributors, Inc., is the Fund's manager and distributor. Organized under Maryland law in 1963, the Fund is a diversified open-end mutual investment company of the management type. According to the prospectus, most of the Fund's investments will be in U.S. companies although a portion may from time to time be in selected foreign securities. F. Eberstadt is honorary board chairman, Francis S. Williams is board chairman, and Peter B. Cannell is president; and they are also partners of F. Eberstadt & Co., which owns the Fund's manager.

**RAYCHEM FILES STOCK PLAN.** Raychem Corporation, Oakside at Northside, Redwood City, Calif., filed a registration statement (File 2-21464) with the SEC on May 31 seeking registration of 15,000 shares of capital stock, to be offered pursuant to its Employee Stock Purchase Plan.

**INTER-COUNTY T&T FILES FINANCING PLAN.** Inter-County Telephone & Telegraph Company, 1520 Lee St., Fort Myers, Fla., filed a registration statement (File 2-21468) with the SEC on June 3 seeking registration of \$2,000,000 of convertible subordinated debentures due 1978 and 50,000 shares of common stock, to be offered for public sale through underwriters headed by Dean Witter & Co, 50 West Adams St., Chicago. The interest rate on the debentures, public offering price for both issues (maximum \$42.50 per common share\*) and underwriting terms are to be supplied by amendment.

The company owns and operates telephone properties serving some 234 communities in the south central and southwestern portion of Florida. The net proceeds from this financing will be used to pay outstanding short-term bank loans, to reduce accounts payable incurred in connection with the company's continuing construction program, and to pay a portion of its 1963 construction expenditures, estimated at \$3,500,000. In addition to various indebtedness and preferred stock, the company has outstanding 747,604 shares of common stock, of which G. W. Thompson, board chairman, owns 17.03% and General Partners, Inc. (78.4% owned by E. E. Patterson, a vice president, and his family) owns 17.41%. J. N. Johnson is president.

**SIMMONS & CO. ENJOINED.** The SEC New York Regional Office announced May 31 (LR-2640) the entry of a Federal court order (USDC, SDNY) permanently enjoining H. S. Simmons & Co., a New York broker-dealer, and its president, Harry Simmons, from further violating the Exchange Act anti-fraud, anti-manipulative and net

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capital provisions. The defendants consented to entry of the order. Irving Mendelson, of New York, was previously appointed receiver and is to continue in such capacity subject to further order of the Court.

**PITTSBURGH JURY ACQUITS THREE.** A Federal court jury in Pittsburgh on May 24th acquitted John A. Howard, William J. Abbott and Langley-Howard, Inc., after trial on charges of violating the registration and anti-fraud provisions of the Securities Act. Previously, two other defendants, Guy W. Gully and William B. Quinn, were convicted and sentenced on their pleas of nolo contendere. (LR-2641)

**SEC WARNS ON PURCHASE OF CARIBBEAN HOTELS STOCK.** The SEC today issued a warning to United States investors against the purchase of stock of Caribbean Hotels Corporation, Ltd. being offered from Nassau, Bahamas by that company, by Jomur Investments and Trust Company, Limited and by National Bank and Trust Company Limited without prior registration under the Securities Act of 1933.

The Commission has received evidence that Jomur Investments has sent to residents of the United States what appears to be gift certificates for 20 shares of stock of Caribbean Hotels. Concurrently, Global Investment Corporation, of Geneva, Switzerland, informed shareholders and purported shareholders of Caribbean Hotels that it was acting as agent for a group of financiers anxious to gain control of Caribbean Hotels, and Global inquired whether the shareholders would be prepared to sell their shares at \$5.20 per share. Subsequently, shareholders received from the so-called National Bank and Trust Company Limited, of Nassau, a letter soliciting the purchase of additional shares of Caribbean Hotels at \$4 per share. In an apparent attempt to circumvent the postal fraud orders issued in 1962 against Caribbean Hotels and Jomur Investments, the so-called Bank requested that orders for additional shares be sent to National Bank and Trust Company, Limited, Post Office Box 5012 m.s., Nassau, Bahamas. No filings have been made with the Commission covering a public offering of securities of Caribbean Hotels; and Jomur Investments, Global, and National Bank and Trust are not registered with the Commission as broker-dealers under the Securities Exchange Act of 1934. (Release 33-4613)

**SECURITIES ACT REGISTRATIONS.** Effective June 3: Commonwealth Telephone Co. (File 2-21408).  
Effective June 4: Belco Petroleum Corp. (File 2-21382); Pennsylvania Power Co. (File 2-21420)  
Withdrawn June 3: Sapawe Gold Mines Ltd. (File 2-21333).

\*As estimated for purposes of computing the registration fee.

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