

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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Statistical Release No. 1931. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended October 4, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	10/4/63	9/27/63		High	Low
Composite	148.2	146.7	+ 1.0	149.0	130.6
	139.2	137.6	+ 1.2	140.7	121.1
Manufacturing	136.1	133.6	+ 1.9	136.9	116.2
Durable Goods	142.1	141.4	+ 0.5	144.3	125.8
Non-Durable Goods	127.7	126.0	+ 1.3	131.7	106.4
Transportation	184.3*	183.2	+ 0.6	184.3	170.3
Utility	180.4	178.3	+ 1.2	180.9	153.8
Trade, Finance & Service	131.0	129.6	+ 1.1	135.6	104.2
Mining					

* New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 3, 1963, 43 registration statements were filed, 24 became effective, 3 were withdrawn, and 282 were pending at the week-end.

REGISTRATION OF HARWYN SECURITIES REVOKED. In a decision announced today (Release 34-7153), the SEC revoked the broker-dealer registration of Harwyn Securities, Inc., 580 Fifth Ave., New York, for fraudulent representations in the sale of stock of Chase Savings and Loan Association, Inc., a Maryland corporation. Harry Weintraub, president, Irving Singer, former sales manager, and Robert Schlacter, a former salesman, were each found a cause of the revocation order.

In its decision, the Commission sustained findings of its Hearing Examiner that in the sale as underwriter (on a best efforts basis) of 600,000 shares of Association stock from November 1960 to February 1961, registrant and said persons violated the anti-fraud provisions of the Federal securities laws in that they made false and misleading representations to the effect that there would be a rapid and substantial increase in the price of the stock and that the Association would pay dividends, when there was no reasonable basis in fact for such representations. The Commission found that registrant also used a sales brochure which was materially deceptive and misleading in that, among other things, it described the substantial growth of the savings and loan business without stating that there was no basis for implying that the Association had comparable prospects for growth and success and without any attempt to describe the speculative aspects of the stock and the differences between the Association and the established associations depicted in the brochure. In fact, the Commission found, the Association had never begun operations and was unable to meet its financial obligations during the time the stock was offered and sold. The Commission also found that registrant through Weintraub and Singer manipulated the market in stock of the Association; and that registrant violated the Commission's net capital and recordkeeping rules. In 1961, registrant, Weintraub and Singer were permanently enjoined by a Federal court in New York (on the basis of a Commission complaint) from violations of the anti-fraud, net capital and recordkeeping provisions of the Federal securities laws.

INVESTORS DIVERSIFIED SERVICES SEEKS ORDER. Investors Diversified Services, Inc., Minneapolis registered face-amount certificate company, has applied to the SEC for an order under the Investment Company Act authorizing the sale to it by Frances K. Mahoney of her holdings of common stock of The Roanoke Building Company, a Delaware company; and the Commission has issued an order (Release IC-3781) giving interested persons until October 22, 1963 to request a hearing thereon. According to the application, IDS owns 26.3% and Mrs. Mahoney 10.6% of the outstanding stock of Roanoke, the principal asset of which is the leasehold estate and improvements known as the Roanoke Building, located at Seventh Street and Marquette Ave., Minneapolis. The fee is owned by the Baker Block Land Trust which is 51% owned by Baker Properties and 49% by IDS. The Roanoke Building Company is also 51% owned by Baker Properties and, in addition to IDS and Mrs. Mahoney, has 41 other minority shareholders who own 12.1% of the stock of Roanoke. IDS has agreed to pay Mrs. Mahoney and all other minority shareholders \$150 per share for each share of Roanoke held.

HIGH VOLTAGE ENGINEERING SHARES IN REGISTRATION. High Voltage Engineering Corporation, South Bedford St., Burlington, Mass., filed a registration statement (File 2-21775) with the SEC on October 4 seeking registration of 75,000 shares of common stock which are issuable on conversion (at \$40 per share) of \$3,000,000 of outstanding convertible subordinated 4-3/4% notes due 1973. The prospectus states that such shares may from time to time be offered and sold on the New York Stock Exchange by the holders thereof at prices current at the time of sale (maximum \$55 per share*). The company's principal business is the design, development and engineering of high voltage x-ray generators and particle accelerators. In addition to certain indebtedness, it has outstanding 2,369,302 shares of common stock. Denis M. Robinson is president. The Prudential Insurance Company of America owns \$1,800,000 of the notes (convertible into 45,000 shares), the Ford Foundation owns \$750,000 (convertible into 18,750 shares), and three others own the remaining notes.

OVER

RACON FILES FOR STOCK OFFERING. Racon Incorporated, 11 North Jackson St., Houston, filed a registration statement (File 2-21776) with the SEC on October 3 seeking registration of 1,250,000 shares of common stock, to be offered for public sale at \$1 per share. No underwriting is involved. The company was organized under Texas law in May 1963 for the purpose of entering into the manufacture, distribution and sale of fluorocarbons to refrigerant wholesalers, the aerosol industry and other users. The company has contracted with Frontier Chemical Company, a division of Vulcan Materials Company, for a supply of carbon tetrachloride and chloroform and with Essex Chemical Corporation, a principal stockholder of the company, for a supply of hydrofluoric acid. The company has also contracted with The Badger Company, Inc., of Cambridge, Mass. for the selection of a plant process, preparation of a cost estimate and for the designing and construction of a plant in the vicinity of Wichita, Kansas; and the company expects to contract with Frontier for the management and operation of the proposed plant. If the company is successful in securing a mortgage loan of \$775,000, the company intends to apply \$771,000 to complete and place in operation its proposed plant; and, on the other hand, if it is successful in arranging financing for the construction in the amount of \$1,000,000 from the issuance of Industrial Revenue Bonds by a municipality, it intends to apply \$546,000 towards the construction of the plant. In either event, the balance will be used as additional working capital. The company has outstanding 58,600 shares of common stock, of which Elmer K. Peterson, president, and Essex Chemical own 39.6% and 34.1%, respectively. Management officials as a group own about 54.1%. L. John Polite, Jr. is board chairman of the company and president of Essex Chemical.

PEOPLE'S INSURANCE FILES FOR STOCK OFFERING. People's Insurance Company, 307 Lenox Ave., New York, filed a registration statement (File 2-21779) with the SEC on October 3 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made by management officials, who will receive a 5% commission.

Organized in December 1961, the company has no operating history nor insurance in force, nor has it been licensed to write any form of insurance. It intends to commence business operations (initially in metropolitan New York) with the writing of general liability, including automobile, property damage and personal injury insurance, if and when the required capital and surplus of \$525,000 is realized from this offering. The company presently has no stock outstanding. Donald A. Hawkes is president and Arthur J. McNaught is board chairman.

GEORGIA POWER FILES FINANCING PLAN. Georgia Power Company, 270 Peachtree St., Atlanta, filed a registration statement (File 2-21780) with the SEC on October 4 seeking registration of \$30,000,000 of first mortgage bonds due 1993 and 70,000 shares of cumulative preferred stock (no par), to be offered for public sale at competitive bidding. As reported in the News Digest of October 1, the company intends to use the proceeds for the construction or acquisition of permanent improvements, extensions and additions to property and to pay short-term bank loans made for such purposes. The company's 1963 construction program is estimated at \$86,636,000.

PACIFIC GAS AND ELECTRIC PROPOSES BOND OFFERING. Pacific Gas and Electric Company, 245 Market St., San Francisco, filed a registration statement (File 2-21782) with the SEC on October 4 seeking registration of \$70,000,000 of first and refunding mortgage bonds, series JJ, due 1996, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to retire an estimated \$20,000,000 of short term loans obtained for temporary financing of additions to utility plant, and the balance will be applied toward construction expenditures, estimated at \$224,000,000 for 1963 and \$255,000,000 for 1964.

DONALDSON CO. FILES FOR SECONDARY. Donaldson Company, Inc., 1400 West 94th St., Minneapolis, filed a registration statement (File 2-21783) with the SEC on October 4 seeking registration of 145,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York. The public offering price (maximum \$19 per share*), underwriting terms and list of selling stockholders are to be supplied by amendment. The company designs, manufactures and sells a wide variety of air cleaners to original equipment manufacturers of heavy duty internal combustion engines utilized in construction equipment, highway trucks, farm equipment and military equipment and vehicles. It also designs, manufactures and sells mufflers for use on heavy duty internal combustion engines and designs and produces special seals, filters, bellows and pumps used primarily in aircraft and missiles. The company has outstanding 560,074 shares of common stock, of which Frank A. Donaldson, president, owns 11.5% and management officials as a group 26.4%. The First National Bank of Minneapolis, as trustee under the will of Frank A. Donaldson, Sr. (for the benefit of Lucille R. Hare) holds 11.5%. Robert H. Donaldson is board chairman.

SECURITIES ACT REGISTRATIONS. Effective October 7: Gulf States Utilities Co. (File 2-21712); Seaboard World Airlines, Inc. (File 2-21447).

CORRECTION: Effective October 2: Crosby Plans Corporation (File 2-21522), not Fidelity Fund, Inc. (File 2-21522), as reported in News Digest of October 2 (Crosby is the sponsor of plans for the accumulation of shares of Fidelity Fund).

*As estimated for purposes of computing the registration fee.

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