

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

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

(Issue No. 64-5-7)

FOR RELEASE May 11, 1964

Statistical Release No. 1974. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended May 8, 1964, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1964 is as follows:

	1957-59 = 100		Percent Change	1964	
	5/8/64	5/1/64		High	Low
Composite	165.3*	163.4	1.2	165.3	153.6
Manufacturing	157.1*	155.1	1.3	157.1	144.6
Durable Goods	153.3*	151.4	1.3	153.3	141.5
Non-Durable Goods	160.8*	158.6	1.4	160.8	147.7
Transportation	156.5*	153.4	2.0	156.5	138.3
Utility	196.3	195.9	0.2	199.2	192.1
Trade, Finance & Service	194.1*	191.5	1.4	194.1	176.6
Mining	162.5*	158.4	2.6	162.5	139.2

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 7, 1964, 31 registration statements were filed, 39 became effective, 3 were withdrawn, and 299 were pending at the week-end.

MAYO & CO. INC. REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7310) revoking the broker-dealer registration of Mayo & Co., Incorporated, 1518 Walnut St., Philadelphia, for violations of the anti-fraud and other provisions of the Federal securities laws. Louis Mayo, Jr., president, and Seymour Briskin, Paul B. Linn, and Joel Pollack, salesmen, were each found a cause of the revocation order.

According to the decision, the respondent firm and individuals, in connection with the offering and sale of stock of National Industries, Inc., at \$6 per share in November 1961, employed "boiler-room" sales techniques, including high-pressure telephone solicitations of unknown persons by means of false and misleading statements. The keynote of the solicitations of purchases was the prediction of dramatic price rises in National stock and representations that National was operating profitably, was growing and had a very bright future. Salesmen consistently omitted to mention the company's poor financial condition and other adverse factors which generally presented a starkly unfavorable picture. Moreover, contrary to representations in National's offering circular as to the intended use of the proceeds of its stock sale (not including the retirement of obligations to officers), National paid \$32,920 to or on behalf of its president. In addition, no disclosure was made that \$33,000 would be used to make a loan to Mayo.

WALTER ROSENBUSH, BUSCH CO. DENIED REGISTRATION. The SEC has issued an order under the Securities Exchange Act (Release 34-7311) denying an application for broker-dealer registration filed by Walter Rosenbush, dba Busch Company, 50 Broadway, New York. The denial order was based upon Rosenbush's failure to disclose in his registration application all his prior connections with other broker-dealer firms and a Federal court order issued in June 1960 which enjoined him from engaging in certain conduct in connection with the purchase and sale of securities.

SEC ORDER CITES HERBERT J. FOX. The SEC has ordered administrative proceedings pursuant to provisions of the Investment Advisers Act of 1940 with respect to Herbert J. Fox, of 4312 Leavenworth St., Omaha, Nebr., who has been registered with the Commission as an investment adviser since October 23, 1963, and who conducted business under the name "Consolidated Enterprises of Nebraska."

Upon application of the Commission, Fox was permanently enjoined by Federal court order of March 31, 1964, from violating the registration and anti-fraud provisions of the Securities Act of 1933 in the offer and sale of investment contracts and other securities of Fox, individually and doing business as Consolidated Enterprises of Nebraska. The administrative proceedings are based upon staff charges that Fox violated the said registration and anti-fraud provisions in the sale of such securities, and that he engaged in acts, practices and a course of business which were "fraudulent and deceptive" in violation of the Investment Advisers Act.

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford Fox an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

OVER

REGISTRATION OF B. C. MALLOY INC. CANCELLED. The Commission has cancelled the broker-dealer registration of B. C. Malloy, Inc., of St. Petersburg, Fla. Charles Malloy, president of the Malloy firm, entered a plea of guilty on March 27, 1964, to one count of an indictment charging violation of the anti-fraud provisions of the Securities Exchange Act of 1934 and was sentenced to serve eighteen months in prison; and the firm has ceased to do business as a broker-dealer.

MISSISSIPPI POWER FILES FINANCING PROPOSAL. Mississippi Power Company, 2500 - 14th St., Gulfport, Miss. has filed a proposal with the SEC under the Holding Company Act for the issuance and sale at competitive bidding of \$10,000,000 of first mortgage bonds due 1994; and the Commission has issued an order (Release 35-15068) giving interested persons until June 1 to request a hearing thereon. Net proceeds from the bond sale will be used for property additions and improvements (estimated to aggregate \$21,343,723 for 1964) and for payment of outstanding short-term bank loans incurred for such purpose.

BEECH-NUT FILES STOCK PLAN. Beech-Nut Life Savers, Inc., 605 Third Ave., New York, N. Y. 10016, filed a registration statement (File 2-22409 with the SEC on May 8 seeking registration of 497,838 shares of common stock. Of this stock, 52,360 shares are issuable to key employees of the company upon exercise of options granted pursuant to the company's Stock Option Plan adopted in 1957; 145,478 shares have been issued to optionees upon exercise of options granted pursuant to such Plan; and 300,000 shares are issuable to officers and other key salaried employees of the company upon exercise of options to be granted pursuant to the company's 1964 Stock Option Plan.

CONSOLIDATED OIL & GAS PROPOSES OFFERING. Consolidated Oil & Gas, Inc., 4150 E. Mexico Ave., Denver, filed a registration statement (File 2-22406) with the SEC on May 8 seeking registration of 490,175 shares of common stock. Of this stock, 394,470 shares are reserved for issuance upon exercise of purchase warrants previously sold by the company and 95,705 shares are to be distributed as a dividend to stockholders. Each purchase warrant is exercisable at \$4.875 per share until June 30, 1967.

The company's business consists of the acquisition of leaseholds and other interests in oil and gas properties, including in some instances producing properties, exploration and development thereof and production and sale of crude oil, condensate and natural gas. It has formed a wholly owned subsidiary, CGS Management Co., a Colorado corporation, to conduct an exploratory drilling program for 1964. According to the prospectus, as of February 29, 1964 the company's current liabilities exceeded its current assets by about \$870,000. This working capital deficit has occurred by reason of the company's large capital expenditures in excess of its current income for acquisition, exploration and development of natural gas and oil properties. The company does not anticipate that the purchase warrants will be exercised in the immediate future and no provision has been made for application of proceeds received. To the extent that warrants are exercised, the proceeds will be added to general funds. In addition to indebtedness, the company has outstanding 2,438,327 common shares, of which management officials as a group own beneficially 411,025 shares (including holdings of their immediate families). Harry A. Trueblood, Jr., is listed as president and chairman of the executive committee.

MD. FIDELITY AND DEPOSIT FILES STOCK PLAN. Fidelity and Deposit Company of Maryland, Charles & Lexington Streets, Baltimore, Md. 21203, filed a registration statement (File 2-22407) with the SEC on May 8 seeking registration of 50,000 shares of capital stock, to be offered under its Incentive Stock Option Plan.

TASTEE FREEZ, CONTINENTAL VENDING TRADING BAN CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Tastee Freez Industries, Inc., and Continental Vending Machine Corporation for an additional ten-day period, May 11-21, 1964, inclusive.

DONNELLEY & SONS FILES FOR SECONDARY. R. R. Donnelley & Sons Company, 2223 S. Park Way, Chicago, filed a registration statement (File 2-22405) with the SEC on May 7 seeking registration of 220,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through an underwriting group headed by Harriman Ripley & Co., Incorporated, 60 Broad St., New York; and the public offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (also known as The Lakeside Press) is a commercial printer. It prints and binds a major portion of several nationally distributed magazines and catalogs, and other publications. In addition to indebtedness, the company has outstanding 12,561,968 common shares, of which management officials as a group own 22.8%. The prospectus lists three selling stockholders, as follows: The Northern Trust Company (as trustee under an agreement with Thomas E. Donnelley for the benefit of Clarissa Donnelley Haffner), offering 100,000 of its holding of 251,676 shares; Clarissa Donnelley Haffner, offering 100,000 of her holding of 305,204 shares; and C. C. Haffner, Jr., offering 20,000 of his holding of 54,339 shares. Gaylord Donnelley is listed as board chairman and Charles W. Lake, Jr., as president.

SECURITIES ACT REGISTRATIONS. Effective May 8: Sun Oil Company (File 2-22286). Effective May 11: Security Life Insurance Company of America (File 2-22184); Arlan's Dept. Stores, Inc. (File 2-22285).

*As estimated for purposes of computing the registration fee.