

# 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 22, 1962

**VIOLATIONS CHARGED TO BERTRAM, LEONARD & WILLIAMS.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether certain provisions of that Act have been violated by Bertram, Leonard & Williams, Inc., of Washington, D. C., and, if so, whether its registration as a broker-dealer should be revoked.

The said corporation has been registered with the Commission since January 15, 1962. Its registration application listed Paul Bertram Linn as president and 1622 Chestnut Street in Philadelphia as its principal place of business. An amendment filed April 18, 1962, reflected a change of business address to 1411 Pennsylvania Avenue, N. W., Washington, D. C. The Commission's order recites charges of its staff that information developed in an investigation tends to show that the said amendment purporting to list the Pennsylvania Avenue address as the actual location of the corporation's business was false and misleading; that the corporation failed to preserve its records in an easily accessible place and available for examination by Commission representatives; and that the Commission's reporting and record-keeping requirements were thereby violated.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence on the foregoing to determine whether the staff charges are true and, if so, whether respondent's broker-dealer registration should be revoked.

**WESREB OIL STOCK OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Wesreb Oil Company, 422 Washington Building, Washington, D. C.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on March 20, 1962, Wesreb Oil proposed the public offering of 300,000 capital shares at \$1 per share. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that the company's offering circular was false and misleading in respect of certain material facts. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations relate to the company's failure to disclose that Francis Taylor Canon, president and a director of the company, is the subject of two decrees of the New York Supreme Court, entered on November 30, 1937 and November 27, 1939, permanently enjoining and restraining him from engaging in securities activities within and from the State of New York. According to the order, no exemption is available under Regulation A for an offering of stock by the company by reason of said injunctions.

**INDIVIDUALS' SAVING UP.** The SEC announces (for Sunday, June 24th newspapers) that individuals in the United States saved at a very high rate during the first quarter of 1962. Saving in financial form totaled \$6.5 billion compared with \$2.4 billion in the fourth quarter of 1961 and \$5.9 billion in the third quarter of that year. The highest previous figure in recent years was \$7.0 billion in the third quarter of 1958. (For details, see Statistical Release 1836.)

**UNITED VIRGINIA BANKSHARES FILES EXCHANGE PLAN.** United Virginia Bankshares, 900 East Main Street, Richmond, Va., filed a registration statement (File 2-20487) with the SEC on June 21st seeking registration of 1,480,432 shares of common stock. It is proposed to offer such stock in exchange for all the outstanding capital shares of Citizens Marine Jefferson Bank, Newport News (on a 2.85-for-1 basis); First and Citizens National Bank of Alexandria, Va. (1.9-for-1); First National Trust and Savings Bank of Lynchburg, Va. (1-for-1); Merchants and Farmers Bank of Franklin, Va. (5.14-for-1); State-Planters Bank of Commerce and Trusts, Richmond (2.795-for-1); and The Vienna Trust Company, Vienna (1.05-for-1). Solicitation of exchanges will be made by a group of dealers headed by Scott & Stringfellow, 115 Mutual Bldg. and J. C. Wheat & Co., 1001 East Main St., both of Richmond. The soliciting dealers will receive, with certain exceptions, commissions of from 25¢ to 30¢ per share of the company issued in the exchange, and the dealer managers will each receive from \$10,000 to \$20,000 fees, depending upon the amount of shares of the banks exchanged. The exchange offer will be declared effective as to the shareholders of a constituent bank when holders of more than 50% of the shares of such bank have accepted the exchange offer and when acceptances have been received from holders of more than 50% of the shares of each of two or more constituent banks having aggregate resources, as of December 31, 1961, of at least \$370,000,000. No combination of constituent banks will have such aggregate resources unless State-Planters and First and Citizens are included.

The company was organized under Virginia law in June 1962 for the purpose of becoming a bank holding company under the Bank Holding Company Act of 1956 by acquiring at least a majority of the capital stock of the said banks. Clarence J. Robinson is board chairman and J. Harvie Wilkinson, Jr. is president.

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**ROCHESTER TELEPHONE PROPOSES DEBENTURE OFFERING.** Rochester Telephone Corporation, 10 Franklin Street, Rochester, N. Y., filed a registration statement (File 2-20488) with the SEC on June 21st seeking registration of \$12,000,000 of debentures due 1987, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to repay \$7,000,000 of demand borrowings from banks made in 1961-62 for construction purposes, to redeem \$3,790,000 of outstanding 4% sinking fund debentures due 1963, and for construction purposes. The company expended \$13,632,249 for construction in 1961 and anticipates expenditures for \$14,000,000 of 1962.

**DYNAMIC L.P. INDUSTRIES FILES FOR STOCK OFFERING.** Dynamic L.P. Industries, Inc., 900 Passaic Avenue, East Newark, N. J., filed a registration statement (File 2-20489) with the SEC on June 21st seeking registration of 75,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts all or none basis by Mortimer B. Burnside & Co., Inc., 40 Wall Street, New York, which will receive a 60¢ per share commission and \$11,000 for expenses. The statement also includes 12,000 shares to be sold to the underwriter at \$1.85 per share, of which 1,200 shares will be resold to Seymour Rowitt, the finder.

The company (formerly Sun Plastics, Inc.) is engaged in the business of manufacturing (pressing), labeling and packaging 78, 45 and 33-1/3 RPM long playing stereophonic and monaural phonograph records for label record companies. The company recently acquired from its principal stockholders all of the outstanding stock of Sun Plastics, Inc., a New Jersey company (now operated as a subsidiary) in exchange for an aggregate of 31,250 shares. The \$215,000 estimated net proceeds from the stock sale will be used to purchase machinery and equipment and for working capital. The company has outstanding 125,000 shares of common stock, of which Moe Silvers, president, and Jerry Salerno, vice president, own 24.9% each, and Sylvia Silvers and Philomina Salerno 25% each. Sale of new stock to the public at \$4 per share will result in an increase in the book value of stock now outstanding from \$1.85 to \$2.38 per share with a resulting dilution of \$1.62 per share in the book equity of stock purchased by the public.

**JKF REALTY FILES FOR OFFERING.** The JKF Realty Company, 10 East 40th Street, New York, filed a registration statement (File 2-20490) with the SEC on June 21st seeking registration of \$2,715,000 of limited partnership interests, to be offered for public sale at \$5,000 per interest. No underwriting is involved.

JKF Realty is a limited partnership organized under New York law in May 1962 with Benjamin Kaufman, Nathan P. Jacobs, Shabse Frankel and Gerald S. Kaufman as the general partners, and the general partners and 13 others as the original limited partners. The partnership was organized for the purpose of acquiring two tracts of land in Detroit and one in Cumberland, Md., on which there is or will be a discount department store. Each of the properties is leased or sub-leased to discount store chain operators (GEM International, Inc. and Miracle Mart, Inc.). The properties were purchased by the general partners in March and May 1962 for an aggregate of \$2,725,000 and, in consideration for the conveyance of such properties to the partnership, they (and the original limited partners) will receive an aggregate of \$10,000 in general partnership interests, \$2,715,000 in cash from the proceeds of this offering, and an aggregate of \$430,000 of original limited partnership interests. Cost of the properties to the partnership will be \$3,155,000.

**TINTIC CENTRAL MINING DELISTED.** The SEC has issued an order granting an application of the Salt Lake Stock Exchange to delist the common stock of Tintic Central Mining Company, effective at the close of business July 2, 1962 (Release 34-6835).

**TRADING BAN IN FIVE STOCKS CONTINUED.** The SEC has issued orders further suspending exchange and over-the-counter trading in the common stock of Apex Minerals Corporation for the ten-day period, June 25 to July 4, 1962; in the Class A stock of Automated Procedures Corp. and common assessable stock of Industrial Enterprises, Inc., for the ten-day period June 24 to July 3, 1962; and in the common stocks of E. L. Bruce Co. (Inc.) and Precision Microwave Corp. for the ten-day period June 23 to July 2, 1962.

**SECURITIES ACT REGISTRATIONS. Withdrawn June 22:** Eastern Properties Improvement Corp. (File 2-18727); General Devices, Inc. (File 2-19719); Traid Corp. (File 2-19769).

**ARGUMENTS, COMING WEEK.** June 27th, Metropolitan Securities, Inc., Philadelphia; June 28th, Cities Service Co. (fee case, postponed from June 19th).