

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.

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

FOR RELEASE November 19, 1962

Statistical Release No. 1864. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended November 16, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1962 is as follows:

| | 1957-59 = 100 | | Percent Change | 1962 | |
|--------------------------|---------------|---------|-------------------|-------|-------|
| | 11/16/62 | 11/9/62 | | High | Low |
| Composite | 122.8 | 120.1 | +2.2 | 144.3 | 107.0 |
| Manufacturing | 114.2 | 111.3 | +2.6 | 135.0 | 98.6 |
| Durable Goods | 110.8 | 107.5 | +3.1 | 135.6 | 95.2 |
| Non-Durable Goods | 117.3 | 114.9 | +2.1 | 134.4 | 101.8 |
| Transportation | 97.9 | 94.4 | +3.7 | 111.0 | 85.5 |
| Utility | 161.6 | 159.9 | +1.1 | 185.5 | 143.0 |
| Trade, Finance & Service | 146.4 | 141.3 | +3.6 | 178.2 | 129.8 |
| Mining | 96.6 | 95.6 | +1.0 | 113.3 | 83.8 |

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended November 15, 1962, 15 registration statements were filed, 14 became effective, 8 were withdrawn, and 472 were pending at the week-end.

H. J. COONEY REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6938) revoking the broker-dealer registration of Herbert J. Cooney, doing business as H. J. Cooney Co., 99 Wall Street, New York, for violations of the Commission's financial reporting requirement.

R.A.J. DAWSON REGISTRATION CANCELLED. The SEC has issued an order under the Securities Exchange Act (Release 34-6939) cancelling the broker-dealer registration of R.A.J. Dawson, doing business as Mineral Investment Company, 3733 Robinhood Drive, Houston, Texas. According to the order, Dawson is no longer engaged in business as a broker or dealer.

TWO SENTENCED IN SOUTHWESTERN PRODUCTIONS CASE. The SEC Fort Worth Regional Office announced November 9th (LR-2429) that Albert Johnston, of Tulsa, Okla., and George J. Dwire, of Hot Springs, Ark., were sentenced to prison terms of 18 months and 12 months, respectively, following their pleas of guilty (USDC, ED, Okla.) to charges of violating the Securities Act anti-fraud provisions in their promotion of Southwestern Productions Investment Company.

ELIOT, ROBERTS & CO. ENJOINED. The SEC New York Regional Office announced November 15th (LR-2430) the entry of a Federal court order (USDC, NJ) preliminarily enjoining Eliot, Roberts & Co., Inc., and Robert E. Shafarman, of West Orange, N.J., its president and sole stockholder, from violations of the Commission's net capital and bookkeeping requirements. They consented to entry of the injunction.

WALLACE R. RUTHERFORD FOUND GUILTY. The SEC Seattle Regional Office announced November 15th (LR-2431) that Wallace R. Rutherford was found guilty by a jury in a Washington state court of charges of violating the anti-fraud provisions of the Washington State Securities Act in the sale of common stock and participating units in Metallo Sales and Manufacturing Company.

SOUTHERN NEW ENGLAND TELEPHONE PROPOSES DEBENTURE OFFERING. The Southern New England Telephone Company, 227 Church St., New Haven, Conn., filed a registration statement (File 2-20887) with the SEC on November 16th seeking registration of \$45,000,000 of debentures due 2001, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to repay advances from American Telephone and Telegraph Company (which owns 19% of the common stock of the company), estimated at \$41,600,000, and the balance for general corporate purposes. Such advances were incurred for general corporate purposes, including construction expenditures. Construction expenditures for 1962 are estimated at \$50,500,000.

HONDA MOTOR CO. FILES ADR'S AND FOR STOCK OFFERING. Honda Motor Co., Ltd. (Honda Giken Kogyo Kabushiki Kaisha), Tokyo, Japan, filed registration statements (Files 2-20888 and 2-20889) with the SEC on November 16th seeking registration of (1) 9,000,000 shares of common stock (represented by 450,000 American Depositary Receipts), to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., and The Nikko Securities Co., Ltd., 1 Chase Manhattan Plaza, both of New York, and (2) 136,000 American Depositary Receipts and 454,000 European Depositary Receipts, for common shares of the company (with Morgan Guaranty Trust Company of New York as depositor). Each of the 450,000 ADR's to be issued to American purchasers will represent 20 shares of the company deposited in Tokyo. The public offering price of the common shares (maximum \$1 per share*) and underwriting terms are to be supplied by amendment.

OVER

The company produces motorcycles in utility, sports and racing models, in various power classes. The net proceeds from the stock sale will be added to general funds and used to finance capital expenditures, for additional investments in subsidiaries, and to provide additional working capital. In addition to certain indebtedness, the company has outstanding 172,800,000 shares of common stock, of which Soichiro Honda, president, owns 8.2% and management officials as a group 14.13%.

AMERICAN CAN FILES STOCK PLAN. American Can Company (to succeed by merger, after stockholder approval, to Metal & Thermit Corporation), 100 Park Avenue, New York, filed a registration statement (File 2-20890) with the SEC on November 16th seeking registration of 9,537 shares of common stock, to be offered pursuant to the Restricted Stock Option Plan of Metal & Thermit, to be assumed by the company pursuant to the merger.

ELECTRONICS INTERNATIONAL CAPITAL SEEKS ORDER. Electronics International Capital, Ltd., Bermuda registered closed-end investment company, has applied to the SEC for an order under the Investment Company Act with respect to certain transactions between affiliated persons incident to the merger of S. A. Arel and S. A. Novak, both Belgian companies; and the Commission has issued an order (Release IC-3573) giving interested persons until December 7, 1962 to request a hearing thereon. According to the application, the company owns 66.7% (26,685 shares) of the outstanding stock of Arel (the remainder being owned by Electronic Continental Anstalt of Vaduz, a closely-held Liechtenstein holding company), and \$1,150,000 of outstanding convertible debentures. Assuming conversion of such debentures by the company, and conversion of an additional \$100,000 thereof owned by Vaduz, they would own 80.76% and 10.24%, respectively, of the outstanding shares of Arel. In July 1962, the shareholders of Novak, a closely-held family company, transferred 50.4% of the outstanding shares of Novak to the company, in consideration of and as the initial step in the merger plan. Pursuant to agreements among the company, Vaduz, and the shareholders of Novak, it is proposed that Novak be merged into Arel, with Arel the surviving company under the name of Novak Electronics. Pursuant to the agreements, the company has paid to the Novak shareholders \$1,000,000 in cash and has transferred to them \$1,000,000 of the Arel debentures owned by the company (without the conversion feature). The agreements also provide for the allocation in the merger of 28% of the stock of the surviving company to the Novak shareholders, 62% to the company, and 10% to Vaduz.

M. A. HANNA RECEIVES ORDER. The SEC has issued a further order under the Investment Company Act (Release IC-3537) amending its prior order of October 31, 1962 so as to permit additional proposed transactions with regard to the participation by The Hanna Mining Company and National Steel Corporation, which are 46% and 26% owned, respectively, by The M. A. Hanna Company, Cleveland closed-end investment company, and certain other affiliated persons, in the organization, financing and operation of an iron ore pelletizing plant to be constructed and operated by Carol Pellet Company to pelletize ore concentrates produced by Iron Ore Company of Canada. The amended order provides (1) that Hanna Mining, National, and the other stockholders of Carol will be obligated to share the costs of financing and operating such joint enterprise in proportion to their respective stock interests in Carol, (2) that the participations of Hanna Mining and National in the enterprise will be on the same basis as between each other, and will not be on a basis different from or less advantageous than that of the other participants, and (3) that the proposed transactions and arrangements between Iron Ore of Canada and Carol with respect to the construction, financing and use of joint or supporting facilities will be carried out on a cost basis without profit to either of said companies.

JOCELYN-VARN FILES FOR OFFERING. Jocelyn-Varn 1963 Oil & Gas Associates, 310 KFH Building, Wichita, Kansas, filed a registration statement (File 2-20891) with the SEC on November 16th seeking registration of \$1,500,000 of oil and gas exploration agreements, to be offered for public sale in \$20,000 units. No underwriting is involved. The statement also includes (1) \$45,000 of additional assessments for over-expenditures, and (2) \$67,500 of agreements covering additional property interests that may be acquired after 1963.

Jocelyn-Varn is a co-partnership organized under Kansas law in October 1962 by Meredith Jocelyn and Stewart Varn, who each contributed \$10,000 as its initial capital. It was created to conduct a general oil and gas exploration and development business, including the carrying on of such business in conjunction with others. The net proceeds from the sale of agreements will be applied against all costs chargeable to participants of selecting and acquiring property interests, of drilling test and development wells in 1963, plugging and abandoning each well which results in a dry hole, and where Jocelyn-Varn considers the same advisable providing tangible well and lease equipment for and completing or attempting to complete each well in which is found oil or gas sufficient in the judgment of Jocelyn-Varn to indicate possible commercial production, for acquiring producing properties, and for the purpose of otherwise administering each of the property interest. It is estimated that leasehold costs, including land department expenses, will approximate 15%, equipment costs will approximate 10%, administrative costs will approximate 10%, and all other costs, including costs of third parties, geological and geophysical services, drilling, testing, completing and intangible expenses of drilling wells, delay rentals, dry hole or bottom hole contributions, and lease operating expenses, will approximate 65% of the expenditures during 1963 under the program. Jocelyn-Varn will be entitled to receive a "carried interest" of 30% in each project.

TRADING BAN IN THREE STOCKS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in the common stocks of the following companies for an additional ten-day period, November 20 to 29, inclusive: Black Bear Industries, Inc., Precision Microwave Corp., and Prosper Oil and Mining Company.

SECURITIES ACT REGISTRATIONS. Effective November 16: Flower City Industries, Inc. (File 2-20821). Effective November 19: Coastal Caribbean Oils & Minerals Ltd. (File 2-20531).

*As estimated for purposes of computing the registration fee.

---oooOooo---