

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. 64-1-5)

FOR RELEASE January 8, 1964

SEC REVOKES TWO FIRMS' REGISTRATIONS. In a decision announced today (Release 34-7209), the SEC revoked the broker-dealer registrations of (1) Donald Lewis Greenbaum, dba D. L. Greenbaum & Company, 1694 Walnut St., Philadelphia and (2) Bertram, Leonard & Williams, Inc., 1411 Pennsylvania Ave., N.W., Washington, D.C., for fraud in the sale of securities and other violations of the Federal securities laws. Greenbaum also was expelled from NASD membership; and Paul Bertram Linn, president and controlling stockholder of the Bertram firm, and Leonard Sloane, also a controlling person of that firm, were each found to be a cause of the revocation of Bertram's registration.

According to the Commission's decision, the respondents engaged in an intensive telephone campaign to sell stock stocks of Middle Atlantic Investment Co. and Tripoli Company to unknown persons, endeavored to place customers in a position whereby they were asked to make hasty decisions to buy the stocks on the basis of misleading representations, failed to disclose material facts concerning the true nature, worth and availability of the stocks, and made false and misleading statements concerning such activities. Moreover, the Commission ruled that the respondents "made admittedly false and misleading statements" in the offer and sale of Tripoli stock to the effect that the Tripoli stock would rise from the offering price of \$5 per share to as high as \$10 within a year; that the stock was a "hot offering," was selling fast, or was all sold out or nearly all sold out; that if the entire offering was not sold the purchasers' money would be returned; that Tripoli would be merged with or purchased by a larger company; and that Tripoli stock would be listed on a national securities exchange. Violations of the Commission's reporting and record-keeping requirements by the Bertram firm also were found.

The respondents waived a hearing and consented to the entry of the revocation order, but without admitting or denying the allegations.

RAYTHEON WARRANTS IN REGISTRATION. Raytheon Company, Spring Street, Lexington, Mass., filed a registration statement (File 2-22003) with the SEC on January 6 seeking registration of warrants for the purchase of 103,931.63 shares of common stock (\$5 par value). In 1956 the company issued \$8,600,000 principal amount of fifteen year $4\frac{1}{2}\%$ promissory notes, attached to which were detachable common stock purchase warrants for the purchase, at an initial price of \$25 per share (\$19.83 per share as presently adjusted), of one share (now 1,2607 shares) of the company's common stock for each \$100 principal amount of the note to which each of said warrants was attached, or 86,000 shares. All warrants are still held by the original holders, except one warrant for 3,925 shares which was exercised in 1959, and are exercisable through April 15, 1966. The five insurance companies holding the outstanding warrants have indicated they are considering selling the warrants, either through public or private sale, or exercising the warrants, and selling, either at private or public sale, the common stock purchased upon exercise.

PYRAMID HOLDING FILES FOR SECONDARY. Pyramid Holding Company, P. O. Box 13, Clipper Mills, Calif., filed a registration statement (File 2-22004) with the SEC on January 6 seeking registration of 75,000 outstanding shares of common stock owned by Ralph L. Jensen, president and principal stockholder, which he proposes to offer for public sale at a price of \$4.00 per share. He proposes to employ salesmen only if it becomes necessary, in which event he will allow a commission of \$0.80 per share. This stock was originally issued to Jensen during the organization of the company in 1959. The company was organized for the purpose of engaging in the acquisition, development and subdivision of real properties to provide homesites or commercial uses, and to develop real property for commercial use and to so utilize it. The principal asset of the company consists of 387.4 acres of real property located north of Sacramento, which has been partially improved by the construction thereon of a model home. The company proposes to further develop the property by building a large motel, swimming facilities, stables, golfing and other facilities designed to establish a recreational center. Jensen proposes to use the proceeds from the offering as follows: \$65,000 will be used to acquire from dissatisfied minority shareholders 72,876 shares of outstanding common stock at 86¢ per share; \$78,500 will be loaned to the company at 4% interest, unsecured, to be used to retire the first mortgage, including \$3,500 accrued interest and penalties due thereon; \$150,000 will be loaned to the company at 4% interest, unsecured, to be used for development purposes; and the remainder, \$6,500 will be retained by Jensen as compensation and reimbursement of personal expenses incurred in this offering. The prospectus states that there are 222,958 shares of common stock outstanding of which Ralph L. Jensen and Lulu M. Jensen own 124,477 shares and Tim Sasabuchi (vice president and treasurer) and Irene Sasabuchi own 37,876 shares.

JEWEL TEA FILES STOCK OPTION PLAN. Jewel Tea Co., Inc., 135 South LaSalle St., Chicago, filed a registration statement (File 2-22005) with the SEC on January 6 seeking registration of 246,075 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan.

OVER

AIRPORT BOULEVARD HOTEL PROPOSES OFFERING. Airport Boulevard Hotel Corporation, 151 N. Dean St., Englewood, N. J., filed a registration statement (File 2-22006) with the SEC on January 7 seeking registration of 10,700 shares of Class A stock, to be offered for sale at \$100 per share. No underwriting is involved. The stock will be initially offered to a limited number of persons including officers, directors and their friends and relatives.

Organized under the Delaware law in June 1963, the company owns 2.8 acres of land in Inglewood, Calif. upon which it is presently constructing a 356 room motor hotel, including a penthouse, a cocktail lounge, restaurant and swimming pool at a cost estimated at \$4,310,000. The motor hotel is to be operated by the company under a franchise from Holiday Inns of America. The proceeds from the stock sale are expected to approximate \$1,050,000 after expenses, and the company proposes to apply \$905,000 toward construction and furnishing of the motor hotel and public facilities (including \$524,300 for repayment of interim loans by management officials), and to allocate the remainder of \$145,000 for working capital. In addition to certain indebtedness, the company had outstanding as of December 23, 1963, 3,350 shares of Class A stock and 4,250 shares of Class B stock. The prospectus lists Leo Goodman as president and John Guidera as executive vice president.

SHOW CAUSE ORDER CITES HAL NEWMAN. The SEC Fort Worth Regional Office announced January 3 (LR-2814) the issuance of a show cause order (USDC, Dallas) directing Hal C. Newman of Dallas to show cause why he should not be adjudged in criminal contempt of a June 1962 decree of the court enjoining violations of the Securities Act registration requirements in the sale of interests in Inland Fisheries Unit No. 1.

GENERAL MOTORS FILES FOR SECONDARY. General Motors Corporation, 1775 Broadway, New York, today filed a registration statement (File 2-22008) with the SEC seeking registration of 3,916,223 outstanding shares of its common stock. These shares are to be offered for public sale by the present holders thereof through an underwriting group headed by Morgan Stanley & Co., of 2 Wall St., New York City. The public offering price (\$82 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily an operating company engaged in the manufacture, assembly and distribution of various products, the principal products being in the automotive field. In addition to indebtedness and preferred stock, the company has outstanding 286,644,552 shares of common stock, of which management officials owned 1.1% on November 30, 1963. Alfred P. Sloan, Jr., is honorary board chairman, Frederic G. Donner board chairman, and John F. Gordon president.

The selling stockholders include E. I. du Pont de Nemours and Company, 409,000 of 23,450,525 shares held (duPont will continue to own a total of 23,041,525 shares after such sale, or 8%); Christiana Securities Company, 400,000 of 2,591,803 shares held; Longwood Foundation, Inc., all of 265,201 shares held; Henry B. du Pont, 135,409 of 145,494 shares held; the Estate of Irene du Pont, deceased, all of 177,216 shares held; the Delaware Trust Company, Trustee of 3 trusts of which William du Pont, Jr., and Marion du Pont Scott are the current income beneficiaries, 509,539 of 512,549 shares held; Trustees of 4 trusts for the benefit of members of the family of Mary A. B. duPont Laird, deceased, 140,000 of 205,382 shares; Wilmington Trust Company, trustee of 9 trusts for the benefit of members of the family of Margareta du Pont Carpenter, all of 418,880 shares held; Wilmington Trust Company, trustee or co-trustee of 22 trusts for the benefit of members of the family of Lamot du Pont, deceased, 279,924 of 352,053 shares; and Wilmington Trust Company, trustee of 8 trusts for the benefit of members of the family of Mary A. B. du Pont Laird, deceased, 159,168 of 203,168 shares held. The prospectus lists 32 other selling stockholders. Of the 3,916,223 shares being registered, 3,731,685 shares are to be sold as required by the final judgment of the U. S. District Court for the Northern District of Illinois in the suit of the United States v. E. I. du Pont de Nemours and Company et al, which became effective May 1, 1962. An additional 184,538 shares being registered are not required to be sold pursuant to said judgment; these shares are held by 19 shareholders.

ADDITIONAL GENERAL MOTORS SHARES TO BE OFFERED. In a separate registration statement (File 2-22009), General Motors Corporation seeks registration of an additional 254,583 shares of outstanding common stock. These shares may be offered by the holders thereof through transactions on the New York Stock Exchange or otherwise, at market prices prevailing at the time of sale or at negotiated prices. Holders of these shares include E. I. du Pont de Nemours and Company, who may sell 44,327 shares, thus reducing its holdings to 22,997,198 shares. This prospectus lists 25 holders who propose to sell an aggregate of 156,968 (all but 2,225 required to be sold under the court judgment). An additional block of 97,615 shares not required to be so sold may be sold by 41 stockholders.

SECURITIES ACT REGISTRATIONS. Effective January 8: Kinemotive Corp. (File 2-21840).

*As estimated for purposes of computing the registration fee.

---0000000---