

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE June 30, 1960

**TENNEY CORPORATION FILES EXCHANGE PLAN.** Tenney Corporation, 20 East 41st Street, New York, filed a registration statement (File 2-16766) with the SEC on June 29, 1960 seeking registration of 1,932,880 shares of class A stock and 300,000 shares of class B stock. The company was organized in April 1960 under Delaware law, and proposes to engage in the general real estate business. Jerry M. Tenney, president, of Scarsdale, N. Y., is the originator of the plan for the formation of the company. The company intends to acquire the interests of the partners or their assignees in certain limited partnerships, of security holders in certain corporations and a fee and two leasehold interests from two limited partnerships and a corporation. Of the class A stock, 1,142,810 shares are to be offered by the company in exchange for the interests of partners or their assignees in certain limited partnerships; 354,750 shares for securities of Glen-Par Corp. on the basis of 1,375 shares for each original \$10,000 unit consisting of 1,290 shares of preferred stock and \$8,710 of notes of Glen-Par; 81,000 shares for 100% of the stock of Sular Realty Corp.; and 6,000 shares for 100% of the stock of Holiday Lodge. An additional 28,620 Class A shares are to be offered to Treasure Island Realty Company, a partnership, to acquire from it the fee to the Treasure Island Beach Motel in Daytona Beach, Fla. (including furnishings), subject to a \$392,000 mortgage; 50,000 shares and a purchase money 25-year standing mortgage on the leasehold in the sum of \$2,000,000 to Madison-54th Realty Company, a partnership, to acquire from it the leasehold on the building located at 527 Madison Ave., New York, subject to a sublease held by Sular Realty Corp.; and 62,500 shares to be offered to Waverly Industrial Terminal Corp. to acquire the leasehold interest created by a sublease covering all the land and buildings located at 829 Newark Ave., Elizabeth, N. J.

According to the prospectus, 293,500 shares of Class B stock were issued to Tenney, Robert Reale and associates for which they paid 50¢ per share, all the stock of Lasro Corporation was acquired from Tenney, his wife, and Mrs. Shirley Tenney, Robert Reale, and H. Roy Penzell for 142,200 Class A shares, and there were sold to certain persons 65,000 Class A shares for \$10 per share and 6,500 Class B shares for 50¢ per share for an aggregate of \$653,250. These securities are also included in the registration statement.

Upon consummation of the purchase and exchange offer, Tenney will own 173,655 shares of class A stock and 275,000 shares of class B stock; his wife, will own 41,238 shares of class A stock; and Robert Reale will own 15,720 shares of class A stock and 9,150 shares of class B stock. Assuming the acquisition by the company of 100% of the interests to be acquired upon exchange, Tenney, his wife, and Reale will own 8.98%, 2.13% and .81%, respectively, of the outstanding class A stock. In any event, Tenney and Reale will own 92% and 3%, respectively, of the class B stock, which they purchased for 50¢ per share. No other consideration was given for such class B stock. The cash cost of the class A stock to be owned by Mr. and Mrs. Tenney and Reale was \$37,533.

**INDIAN TRAIL RANCH FILES FINANCING PROPOSAL.** Indian Trail Ranch, Inc., Southern Blvd., West Palm Beach, Fla., filed a registration statement (File 2-16760) with the SEC on June 28, 1960, seeking registration of \$585,000 of 6% Convertible Promissory Notes due 1965; 171,600 warrants to purchase the said notes; and 57,200 common shares issuable upon conversion of the notes. The company proposes to offer its common stockholders rights to subscribe to the notes at the rate of \$5 principal amount of notes for each share of common stock held. Each stockholder is entitled to one subscription right for each share held; and three rights are required to subscribe for one note in the amount of \$15, the minimum subscription.

The company was organized in April 1951 with the acquisition of about 63,000 acres of unimproved land in Palm Beach County west of Palm Beach, Fla., and was authorized to engage in a general farming and ranching business. In 1957 some 11,709 acres were transferred to a subsidiary, Big Mound Trail Corporations, whose stock was subsequently distributed to Indian Trail stockholders. In May 1959 the stockholders of Big Mound sold 3,784 acres of its undeveloped property to Lefcourt Realty Corporation in exchange for 750,000 shares of Lefcourt's common stock pursuant to an agreement of November 1958. Said agreement also provided that, after consummation of such sale, Lefcourt have options to purchase the remaining 7,750 acres owned by Big Mound and all the property owned by the company, consisting of about 44,000 acres. The option price of the Indian Trail options is between \$650 and \$900 per acre, depending on when the options are exercised. The purpose of this financing is to enable the company to obtain the necessary funds required to meet various financial commitments in connection with its bank loans, mortgage payments and carrying charges with respect to the said 44,000 acres.

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For further details, call ST. 3-7600, ext. 5526

The prospectus lists Samuel Friedland as president and board chairman. He owns 18,081 of the 171,600 outstanding common shares and Blance B. Cohn, a director, 4,650 shares. Friedland owns of record an additional 74,086 shares held in a voting trust.

**BROAD STREET INVESTING SEEKS ORDER.** Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of the assets of M.E.W. Corporation; and the Commission has issued an order (Release 40-3057) giving interested persons until July 12, 1960, to request a hearing thereon.

M.E.W. is an investment company with two stockholders. In an agreement between it and Broad Street, the latter proposes to acquire substantially all of the cash and securities of M.E.W., with a total value of \$1,073,449 as of May 9, 1960, in exchange for shares of Broad Street stock at their net asset value.

**BOSTON FUND SEEKS ORDER.** Boston Fund, Inc., Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of the assets of The Groton Company; and the Commission has issued an order (Release 40-3058) giving interested persons until July 12, 1960, to request a hearing thereon.

Groton is a personal holding company with less than 100 shareholders. Boston Fund proposes to acquire substantially all its cash and securities, having a value of about \$7,500,000 as of December 31, 1959, in exchange for shares of Boston Fund at their net asset value. Frederick Ayer, the president and a director of Groton, is a member of Boston Fund's advisory board. In addition, members of his family have interests in Groton; and as co-trustee with others under various trusts he controls or holds with power to vote more than 5% of Groton's stock.

**COLUMBIA GAS ORDER ISSUED.** The SEC has issued an order under the Holding Company Act (Release 35-14247) authorizing certain transactions by The Columbia Gas System, Inc., New York holding company, and certain of its subsidiaries, said to be an integral part of a program of Atlantic Seaboard Corporation to activate and operate an underground storage pool for natural gas in the Terra Alta field in Portland and Union Districts of Preston County, W. Va. Under the proposals, Cumberland and Allegheny Gas Company, another subsidiary, will sell, and Seaboard will acquire certain oil and gas leases and related properties, at their depreciated original cost which amounted to \$3,429,619 at July 31, 1957. In payment therefor, Seaboard will issue and sell to Cumberland not in excess of \$3,429,000 of notes, the balance of \$619 to be paid in cash. Thereupon, Cumberland will sell, and Columbia will acquire, the notes of Seaboard in prepayment of an equal face amount of Cumberland's notes owing to Columbia.

In addition, Consolidated Natural Gas Company, a non-affiliated holding company, will indirectly sell, and Seaboard will acquire, certain oil and gas interests owned by Hope Natural Gas Company, Consolidated's subsidiary, for a cash consideration of \$2,640,000. To finance such acquisition and obtain funds to defray a major portion of the cost of activating the Terra Alta storage project during 1960, estimated at \$11,579,400, Seaboard proposes to issue and sell to Columbia \$10,540,000 of long-term installment notes.

**UNION TEXAS NATURAL GAS EXEMPTED.** The SEC has issued an order under the Holding Company Act (Release 35-14248) exempting Union Texas Natural Gas Corporation, of Houston, from the Holding Company Act. Union is successor by merger to Texas Natural Gasoline Corporation and Union Oil and Gas Corporation; and Texas Natural Gasoline previously was granted a similar exemption.

**MONSANTO CHEMICAL FILES STOCK OPTION PLAN.** Monsanto Chemical Company, 800 North Lindbergh Boulevard, St. Louis, Mo., filed a registration statement (File 2-16771) with the SEC on June 29, 1960, seeking registration of 100,000 shares of common stock, to be offered to employees under the company's Employee Stock Purchase Plan.

**AMERICAN TOBACCO FILES PROFIT-SHARING PLAN.** The American Tobacco Company, 150 East 42nd Street, New York, filed a registration statement (File 2-16770) with the SEC on June 29, 1960, seeking registration of 106,086 shares of common stock, to be offered to all regular full-time employees under the company's Profit-Sharing Plan.

**BROAD STREET INVESTING SEEKS ORDER.** Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of the assets of Morey, Humm & Warwick, Inc.; and the Commission has issued an order (Release 40-3060) giving interested persons until July 12, 1960, to request a hearing thereon.

Morey-Humm is an investment company with six stockholders. Broad Street proposes to purchase substantially all its cash and securities, with a total value of \$499,001 as of April 30, 1960, in exchange for shares of Broad Street stock at their net asset value.

**INCORPORATED INCOME FUND SEEKS ORDER.** Incorporated Income Fund, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of the assets of A. E. Dick Contracting Company; and the Commission has issued an order (Release 40-3061) giving interested persons until July 12, 1960, to request a hearing thereon.

SEC COMMENDS ITS STAFF: The SEC today released the following memorandum to its Staff:

**TO THE COMMISSION'S STAFF:**

As we close the books on the 26th year of Federal securities laws administration, my fellow members of the Commission join with me in extending to each and every employee of the Commission our most sincere thanks for a record of accomplishment during the year which is second to none in the Commission's history.

The statistical record for Fiscal 1960 is being compiled for inclusion in the Commission's Annual Report to Congress. Enough of the basic data is now available, however, to demonstrate clearly that not since before World War II (when the average employment was much higher), even if then, has so much been accomplished in all major areas of Commission administration and operation.

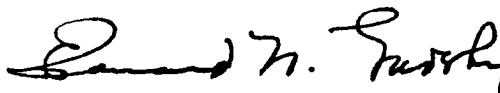
This is quite apparent from the table on the reverse side hereof, which presents data on two of the major activities of the Commission, namely, the processing of registration statements proposing the public offering of securities and the enforcement of sanctions against violators. Attention is directed, for example, to the figures reflecting the number of registration statements filed during the 11-year period 1950-1960. While average employment in 1960, agency-wide, was about 100 less than in 1950, employment in the Division of Corporation Finance (which examines registration statements) averaged about 190 both in 1950 and 1960 (it declined to 139 in 1955). The number of registration statements filed, however, increased from 496 in 1950 to 1640 in 1960, or more than three times. The increase in the number of statements actually cleared was nearly as great, or from 487 in 1950 to 1385 in 1960. The significance of this work in terms of investor protection may be seen from the fact that during the past five years about \$74 billion of securities have been authorized for public sale after a thorough review and examination by the Division for compliance with the disclosure requirements of the law.

The trend is the same in the enforcement field. With respect to administrative proceedings for the denial or revocation of broker-dealer registrations, the figures show a substantial increase in the actions commenced in 1959 and 1960 over those for earlier years. Similarly, in the area of injunctions and prosecutions, substantially increased activity was recorded. Injunctions in 1960 more than doubled those in 1950, while indictments in 1960 were nearly double those in 1950. The number of cases in which convictions were obtained in 1960 also was about double that for 1950. Both in respect of indictments and convictions, the number of individual defendants far exceeded those for earlier years.

These figures are cited not because they reflect special situations within given areas of the Commission's operations but as indicative of the picture generally existing throughout the agency. Available data in the other areas of Commission administration show similar records of accomplishment. It is self-evident that this could not have been possible except for a most prodigious effort on the part of the entire Staff, including many hours of freely-contributed over-time; and each of you may be justifiably proud of this fine record of service to the investing public.

As we commence the new fiscal year, I am sure that your efforts and devotion to the cause of efficient and successful administration of the SEC laws and the furtherance of investor protection will continue undiminished. We are hopeful that Congress will approve an appropriation for Fiscal 1961 in the amount of \$9.3 million, which would permit the addition of nearly 150 new positions in the areas of our greatest need. This should provide some measure of relief in those situations in which special hardships have been imposed by reason of the very large volume of work which has commanded your attention in the past; and it also should enable the Commission to operate more efficiently, particularly by way of expediting the processing of registration statements and other filings, and permit a further reduction in the serious back-log of work which has developed by reason of past inadequacies in the number of available personnel.

In behalf of the Commission and the investing public it serves, the other members of the Commission and I again extend our thanks.



Edward N. Gadsby  
Chairman

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COMPARATIVE DATA ON SEC OPERATIONS

	<u>1950 - 1960</u>										
	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u> <sup>1</sup>
Average Employment	1060	1030	907	810	744	699	730	794	855	916	960
Registration Statements											
Filed (Number) <sup>2</sup>	496	544	665	621	649	849	981	943	913	1226	1640
(Dollar amount)	\$5.2	\$6.4	\$9.0	\$7.4	\$9.0	\$11.0	\$13.1	\$14.7	\$16.9	\$16.6	\$15.8
Effective (Number) <sup>2</sup>	487	487	635	593	631	779	833	860	809	1055	1385
(Dollar amount)	\$5.3	\$6.5	\$9.5	\$7.5	\$9.2	\$11.0	\$13.1	\$14.6	\$16.5	\$15.7	\$14.2
Broker-Dealer Administrative Proceedings	33	97 <sup>3</sup>	20	80	35	62	45	74	57	111 <sup>3</sup>	94
Injunction Actions Filed	34	21	27	22	19	31	35	71	65	60	86
Indictments											
Returned	22	24	14	14	20	8	10	18	14	27	42
Number of Defendants	37	48	28	23	61	14	24	51	42	111	285
Convictions											
Returned (including pleas)	15	12	17	12	15	15	12	17	14	13	28
Number of Defendants	20	15	25	19	25	27	14	28	30	24	72

1 - Final 1960 figures may vary slightly from those listed here.

2 - In billions

3 - 84 of the proceedings in 1951 and 27 in 1959 involved a failure to file an annual financial statement, as against 9 in 1960.

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The said Dick Contracting Company is an investment company with 25 shareholders. The Fund proposes to acquire substantially all its securities and other assets, having a March 31st value of \$2,900,000, in exchange for shares of the Fund at their net asset value.

VENTURE CAPITAL FILES FOR OFFERING. Venture Capital Corporation of America, 375 Park Avenue, New York, filed a registration statement (File 2-16769) with the SEC on June 29, 1960, seeking registration of 275,000 shares of common stock, to be offered for public sale at \$7.50 per share through Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co. The underwriters will receive a 90¢ per share commission plus an estimated \$52,795 for expenses.

The company was organized under New York law in February, 1960 as Eastern Small Business Fund, Inc., a closed-end non-diversified management investment company. It is licensed under the Small Business Investment Act of 1958 and intends to provide investment capital to small business concerns through the purchase of equity securities of such small business concerns and by the granting of long term loans to such concerns. According to the prospectus, it has not engaged in any business activities since its organization. The net proceeds from the stock sale will be used to fulfill the \$300,000 minimum capital requirements of the Small Business Investment Act. The company has outstanding 31,740 shares of common stock, of which 5,000 shares each are held by Stanley J. Love and Herbert Zimmerman, Treasurer. The prospectus lists Robert B. Bregman as board chairman, president, and owner of 2,205 shares.

MILES LABORATORIES FILES STOCK PLAN. Miles Laboratories, Inc., 1127 Myrtle St., Elkhart, Ind., filed a registration statement (File 2-16772) with the SEC on June 29, 1960, seeking registration of 94,142 shares of common stock, to be offered pursuant to the company's Restricted Stock Option Plan.

SEC RULES OF PRACTICE REVISED. The SEC today announced a revision of its Rules of Practice, governing administrative proceedings before the agency, in the interest of providing for more efficient and expeditious conduct of and disposition of such proceedings (Release 33-4242). Adoption of the revised Rules of Practice followed a thorough study and review of the Rules in light of the experience gained in their administration, and of comments and suggestions received from time to time from practitioners and others. The past experience of the Commission in the administration of the Rules, which have included provisions fostering agreements

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among the parties with respect to the procedures to be followed, has demonstrated that they are basically sound. Accordingly, the current revision is designed largely to clarify existing procedures, restate the rules in more logical sequence, eliminate obsolete and redundant provisions, and generally improve the administrative process. The revisions relate, among other things, to interim rulings by Hearing Officers, the filing of answers to allegations, offers of settlement, subpoenas, special provisions in broker-dealer suspension cases, and incorporation by reference.

Thereafter, copies of the Rules of Practice and related materials on organization and procedure, as well as copies of the Rules of Practice, printed separately, will be available for purchase from the Superintendent of Documents, U. S. Government Printing Office, Washington, 25, D. C.

TAYLOR INTERNATIONAL SHARES IN REGISTRATION. Taylor International Corp., 420 Lexington Avenue, New York, filed a registration statement (File 2-16773) with the SEC on June 29, 1960, seeking registration of 117,306 shares of common stock. This stock is reserved for issuance upon exercise of outstanding stock purchase warrants. Such warrants evidence the right to purchase one share of stock of \$6.80 to and including January 1, 1965 and \$7.77 from February 1, 1965 to February 1, 1971. Also included in the registration statements are \$750,000 principal amount of 6% subordinated serial debentures which were privately sold in January 1959. The warrants were attached to, but detachable from the debentures on and after February 1, 1960.

The company is engaged in the construction and building industry, primarily in the resort hotel field. The net proceeds from the issue of the common stock will be used for general corporate purposes. In addition to various indebtedness, the company has outstanding 517,441 shares of common stock, of which, 205,909 shares (40%) are owned by Morry H. Mason, board chairman and president, and 247,178 shares (48%) by the company's officers and directors as a group.

PAUL McDONALD FLEADS GUILTY. The SEC Boston Regional Office announced June 28th that Paul McDonald of Cambridge, Mass., pleaded guilty to a Federal court indictment (USDC, Boston) charging violations of the anti-fraud provisions of the Federal securities laws in the conduct of a securities business. McDonald was sentenced to six months imprisonment, the sentence being suspended and McDonald being placed on five years probation on condition that he make restitution to the investor victim at the rate of ten dollars per week. (LR-1721).

CANADIAN RESTRICTED LIST. The SEC today announced the addition of Flint Rock Mines Ltd. and Kennemet Development Corp. Ltd. to its Canadian Restricted List, and the deletion of New West Amulet Mines Ltd. from the said list. The list is comprised of the names of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. Deletions from the list may be made for various reasons, including discontinuance of the unlawful distribution and an undertaking to comply with the law in respect of any future distribution in the United States. The list now contains the names of 210 companies.

TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) SUSPENDED. The SEC has suspended trading on the American Stock Exchange and in the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), Havana, Cuba, for a further ten-day period July 1 to July 10, 1960, inclusive (Release 34-6306).

BORROWINGS BY BLACKSTONE VALLEY GAS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14250) authorized increased bank borrowings by Blackstone Valley Gas and Electric Company, of Pawtucket, R. I. The company now has outstanding some \$1,700,000 of short-term notes; and to meet its construction requirements through December 31, 1960, it will need an estimated additional \$1,000,000, including some \$350,000 for propane-air gas plant for standby and peak-shaving purposes. It proposes to make additional bank borrowings during the remainder of 1960 in amounts not to exceed \$2,700,000 outstanding at any one time.

GULF POWER FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14251) authorizing Gulf Power Company, Kensacola, Fla., to issue and sell, at competitive bidding \$5,000,000 of First Mortgage Bonds due 1990 and 50,000 shares of \$100 par Preferred Stock. Net proceeds of this financing will be used for property additions and improvements and for the payment of bank loans incurred for such purposes. The construction program for 1960 is estimated at \$17,115,931.

FEE ALLOWANCES APPROVED BY CENTRAL PUBLIC UTILITY. The SEC has issued an order under the Holding Company Act (Release 35-14252) authorizing fee allowances and reimbursement for expenses in the proceedings which culminated in an April 1959 order of the Commission exempting Central Public Utility Corporation and its subsidiaries from the said Act.

NATIONAL GYPSUM FILES EXCHANGE PLAN. National Gypsum Company, 325 Delaware Avenue, Buffalo, N. Y. today filed a registration statement (File 2-16774) with the SEC, seeking registration of 584,289 shares of common stock. The company proposes to offer this stock in exchange for all (but not less than 95%) the 1,156,750

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outstanding shares of class A and class B common stock of Allentown Portland Cement Company, a Pennsylvania corporation, on the basis of .505112 of a share of National Gypsum for each 1 share of class A common and for each 1 share of class B common stock of Allentown. According to the prospectus, Allentown shall be operated as a subsidiary corporation with its present organization to manufacture and sell portland cement of various types and masonry cement.

SINGER MANUFACTURING FILES STOCK PLAN. The Singer Manufacturing Company, 149 Broadway, New York, today filed a registration statement (File 2-16775) with the SEC, seeking registration of 185,000 shares of common stock, to be offered pursuant to its officers' and employees' Purchase Plan and Restricted Stock Option Plan.

VIOLATIONS CHARGED TO H. A. SAFION. The Securities and Exchange Commission has order proceedings under the Securities Exchange Act of 1934 to determine whether Herman A. Safion, doing business as Universal Securities Co., 303 West 42d Street, New York City, defrauded investors in the offering and sale of stock of Frontier Ventures, Inc. ("Frontier"), and of Alaska Dakota Development Co. ("Addco") and, if so, whether its broker-dealer registration should be revoked.

According to the Commission's order, Safion offered and sold Frontier stock during the period October 1, 1959, to January 31, 1960, and Addco stock during the period March 1, 1959, to July 2, 1959, both in violation of the registration requirements of the Securities Act of 1933. The order further asserts that, in connection with the offering and sale of stocks of the two companies, Safion made false and misleading representations with respect to various material facts and "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers." Among the alleged misrepresentations made in the offer and sale of Frontier stock were statements with respect to an increase in the price of the stock, dividends to be declared on the stock, the properties and business activities of Frontier, and the merger of Frontier with another company. Similar misrepresentations are alleged to have been made in the offering and sale of Addco stock. Additional representations challenged by the Commission with respect to Frontier stock related to the listing of the stock on an exchange, a Frontier stock split, and companies having properties adjacent to those of Frontier; and with respect to Addco stock related to companies interested in Addco, the amount of Addco stock purchased by Safion, the former position of a director of Addco, and profits made by the president of Addco while with another company.

A hearing will be held for the purpose of taking evidence on the foregoing, at a time and place later to be announced.

SEC ORDER CITES TWO FIRMS. The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registrations of the following:

Brown, Barton & Engel ("Brown")  
24 Commerce St.  
Newark, N. J.

Rockwell Securities Corporation ("Rockwell")  
221 Huntington Bay Rd.  
Huntington, N. Y.

Both companies have been registered with the Commission since 1958. Brown is a member of the National Association of Securities Dealers, Inc.; and these proceedings also relate to the question whether it should be suspended or expelled from NASD membership. George Phillip Barton is president of Brown and Garland L. Culpepper, Jr., is president of Rockwell.

According to the Commission's order, Brown and Barton during the past two months of 1956, and Rockwell and Culpepper during the period September 1956 to February 8, 1957, offered and sold common stock of Micro-Moisture Controls, Inc. The Micro-Moisture stock was not registered with the Commission under the Securities Act of 1933; and the Commission's order asserts that its sale by Brown, Barton, Rockwell and Culpepper violated the registration requirements of the law.

On September 10, 1959, the U. S. Court of Appeals for the Second Circuit affirmed a permanent injunction issued in April 1958 by the U. S. District Court for the Southern District of New York, enjoining Brown, Rockwell, Barton and Culpepper from further violations of the Securities Act registration requirement in the offer and sale of Micro-Moisture stock. On October 29, 1959, the said judgment of the Court of Appeals was made the judgment of the District Court.

A hearing will be held for the purpose of taking evidence on the foregoing, at a time and place later to be announced.

SECURITIES DISTRIBUTORS HEARING SET. The Commission also has scheduled a hearing for July 12, 1960, in its New York Regional Office on the question whether to revoke the broker-dealer registration of Securities Distributors, Inc., 37 Wall St., New York, N. Y. The proceedings are based upon federal and state court injunctions involving respondent's conduct of a securities business.