

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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FOR RELEASE February 8, 1966

ARNOLD SECURITIES REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7813) revoking the broker-dealer registration of Arnold Securities Corp., 170 Broadway, New York, based on violations of the anti-fraud provisions of the Federal securities laws in the sale of stock of Wheaton Industries, Inc. Arnold Miller (president) and Stanley Korey, Sol Tepper, Clifton Hendricks and Sam Efraim (salesmen) were each found to be a cause of the revocation order.

The Commission found that, in the sale of Wheaton stock, "materially misleading" representations were made and transactions were effected at unfair prices, by virtue of which the firm, aided and abetted by Miller and the four salesmen, violated the anti-fraud provisions of the Federal securities laws. It was represented, among other things, that the Wheaton stock "should triple itself within a six-month period," that "the stock would definitely rise very shortly," and that the customer should buy it even if she had to borrow money to do so. The Commission found that "there was no reasonable basis for these predictions, and they were materially misleading and fraudulent." In fact, the issuer's business was on the decline and it had incurred operating losses of \$21,126 and \$22,965 for its fiscal years ended November 30, 1962, and 1963. The record further shows that in at least 37 out of a total of 101 sales of Wheaton stock to customers in the period February - May, 1963, the prices charged by the firm included mark-ups which ranged from 28.6% to 71.4%, computed on the basis of the prices paid by the firm in same-day purchases of Wheaton stock from other dealers. Such prices were clearly unfair and not reasonably related to the current market prices. The Commission concluded that the violations were serious and extensive, and were not based on isolated or inadvertent transactions but rather encompassed what was essentially the firm's sole business activity.

SEC ORDER CITES LANGLEY-HOWARD. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Langley-Howard, Inc., 3 Parkway Center, Pittsburgh, Pa. Also named as individual respondents are John A. Howard, president, Mark E. O'Leary, a director, and three salesmen: Theodore Barnett, Richard A. Sorenson, and William R. Steigerwald.

The proceedings are based upon staff charges that the firm and individual respondents (1) during 1964-65 offered and sold stock of Bahamas Hotel Corporation in violation of the registration and anti-fraud provisions of the Federal securities laws and (2) during the years 1962-64 offered and sold stock of The Onego Corporation in violation of said anti-fraud provisions. A hearing will be ordered later to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any remedial action may be appropriate in the public interest.

The Langley-Howard firm on January 7, 1966, applied for withdrawal of its broker-dealer registration. It also has applied to the Commission for review of a November 10, 1965, decision and order of the National Association of Securities Dealers, Inc., which expelled the firm from membership, revoked the registration of Howard, suspended O'Leary for sixty days and imposed thirty-day suspensions on Barnett, Sorenson and Steigerwald.

SWIFT & CO. FILES STOCK PLAN. Swift & Company, 115 W. Jackson Blvd., Chicago, Ill. 60604, filed a registration statement (File 2-24470) with the SEC on February 7 seeking registration of 15,000 participations in its Thrift Plan, together with 150,000 shares of common stock which may be acquired pursuant thereto.

MARATHON INTERNATIONAL PROPOSES OFFERING. Marathon International Finance Company, 539 S. Main St., Findlay, Ohio 45840, filed a registration statement (File 2-24471) with the SEC on February 7 seeking registration of \$25,000,000 of guaranteed sinking fund debentures (due 1986). The debentures, convertible on and after August 1, 1967, into common stock of Marathon Oil Co., are to be unconditionally guaranteed as to payment of principal, premium, if any, interest and sinking fund by Marathon Oil. They are to be offered for public sale abroad through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Marathon Oil, the company was organized for the principal purpose of obtaining funds for the foreign operations of the parent company's subsidiaries and affiliates (Marathon Oil is an integrated oil company). Net proceeds of the company's debenture sale will be used for general corporate purposes. E. A. Graham is president of the company.

HADEN SENTENCED. The SEC Fort Worth Regional Office announced February 3 (LR-3418) that Theodore Smith Haden of Dallas was sentenced to an 18-month prison term (USDC, ND Tex.), following his plea of guilty to violating the Securities Act anti-fraud provisions in the sale of interests in an oil and gas lease on property in Shackelford County, Tex.

SPARROW, OTHERS INDICTED. The SEC Denver Regional Office announced February 4 (LR-3419) the return of an indictment by a Federal Grand Jury in Cheyenne, Wyo., charging Robert D. Sparrow, a/k/a Robert Dahle, of Phoenix, Eugene Whitworth of Pocatello, Ida., and Edward L. Gibbons, of Preston, Ida., with violations of and conspiracy to violate the Securities Act anti-fraud provisions in the sale of securities of Paramount Holding Co.

OVER

FARM BUILDERS, OTHERS RESTRAINED. The SEC Denver Regional Office announced February 4 (LR-3420) the entry of a Federal court order (USDC, Phoenix) restraining Farm Builders, Inc., an Arizona corporation; H. Jack Grover and E. Keith Grover of Phoenix; Morris L. Haderlie of Scottsdale, Ariz.; and Kenneth E. Porter of Mesa, Ariz., from further violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of securities of Farm Builders.

NORVILLE & CO. ENJOINED. The SEC Chicago Regional Office announced February 4 (LR-3421) the entry of a Federal court order enjoining Norville & Co., a registered broker-dealer of Chicago, and Allan J. Norville from further violations of the anti-fraud, net capital and record keeping provisions of the Federal securities laws. The court appointed Harry A. Ash as receiver for the firm.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the February 4 News Digest.

Allied Artists Pictures Corp Oct 65(8)	1-2965-2	Paulsboro Chemical Industries Inc Amend #1 for Dec 65(9)	0-1861-2		
Agway Inc	Dec 65(7,11,13)	0-2011-2	Regal Inc Amend #1 for Mar 63(1,2)	2-2003-2	
First Wisconsin Bankshares Corp Jan 66(13)	1-2981-2	General Tel Co of Ill Amend #1 for Oct 65(13)	0-1048-2		
Greater Iowa Corp	Dec 65(12)	0-1403-2	Jones & Laughlin Steel Corp Amend #1 for Dec 65(13)	1-463-2	
Sprague Electric Co Dec 65(7)	0-654-2	W T Grant Co	Jan 66(12)	1-3000-2	
Murphy Finance Co Dec 65(11)	2-15948-2	Skil Corp Amend #1 for Dec 65(4,7)	1-4921-2		
Republic Investors Life Ins Co Dec 65(13)	0-2012-2	Beckman Instruments Inc Dec 65(7,10,12,13)	1-3664-2		
McLean Trucking Co Dec 65(12,13)	1-4093-2	Essex Chemical Corp Dec 65(7,8,9,13)	1-4228-2		
Jim Walter Corp Dec 65(4,11,13)	1-4868-2	Walston Aviation Inc Oct 65(2,7,13)	2-23506-2		
Consolidated Cigar Corp Dec 65(13)	1-1077-2	Sunair Electronics Inc Sept 64(7,13)	1-4334-2		
Milgray Electronics Inc Dec 65(11)	2-18979-2	Silo Discount Centers Inc Nov 65(11,13)	2-19301-2		
Risdon Mfg Co	Jan 66(7,9)	0-608-2	Ferro Corp	Nov 65(4,7,8,13)	1-584-2
Simmonds Precision Products Inc Dec 65(2,7)	1-4942-2	Union Pacific RR Co Jan 66(13)	1-1324-2		
J W Mays Inc	Jan 66(13)	1-3647-2	Warner Co	Jan 66(8)	1-4170-2
Wyle Laboratories Dec 65(7,12,13)	0-1282-2	H W Gossard Co	Dec 65(13)	1-2909-2	
Magna Pictures Corp Nov 65(10)	0-1461-2	E L Bruce Co Inc (NY) Amend #1 for Oct 65(13)	1-3445-2		
Taylor Instrument Companies Dec 65(13)	0-10-2	Sunair Electronics Inc Amend #1 for Sept 62(4,7,13)	1-4334-2		
Wisconsin Gas Co Dec 65(11,13)	2-8631-2	Amend #1 for July 65(4,7,13)	1-4334-2		
Hygrade Food Products Corp Jan 66(11)	1-318-2	Elco Corp (Del) Amend #1 for Aug 65(1,13)	1-4757-2		

SECURITIES ACT REGISTRATIONS. Effective February 7: Duquesne Light Co., 2-24412.
Effective February 8: Central Illinois Light Co., 2-24425; Vail Associates, Inc., 2-24322 (90 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.