

# 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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**EXAMINER'S DECISION BARS THREE.** Two former salesmen for the New York firm of Fabrikant Securities Corporation have been barred from further association with any broker-dealer firm, namely, D. Richard Engel (also known as Richard D. Engel) and Bernard Portnoy. A third salesman for the firm, Nathan Abramowitz, was suspended for 60 days, commencing May 23, 1966 (Release 34-7891). The three respondents did not seek Commission review of the initial decision issued April 7 by an SEC Hearing Examiner which imposed these sanctions for violations of the anti-fraud provisions of the Federal securities laws in the 1962-63 sale of securities of Aceto Chemical Co., Inc. Continental Fund Distributors, Inc., Capital Consultants Corporation, Jefferson Financial Corporation and Uneeda Vending Service (see News Digest of April 11). Three other respondents have appealed the Examiner's decision. Previously, the Commission revoked the broker-dealer registration of Fabrikant Securities and barred its president, Martin Fabrikant, and eleven other individual respondents from further association with any broker-dealer firm.

**SEC ORDER CITES UNIVERSAL SALES.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Universal Sales, Inc., of Waycross, Georgia, a member of the National Association of Securities Dealers, Inc. Also named as respondents are Matthew Jordan Carswell, II, president, and Carson Fambrough Jacks, Secretary.

The proceedings are based upon staff charges that Universal and the two individual respondents engaged in activities violative of the record-keeping, net capital, anti-fraud and other provisions of the Exchange Act. A hearing will be scheduled by further order to take evidence upon the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the charges are true in fact and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest.

**COLUMBIA GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15473) authorizing Columbia Gas of Pennsylvania, Inc., a gas-utility subsidiary of The Columbia Gas System, Inc., New York, to acquire all of the assets of Central Pennsylvania Gas Co., a non-associate gas-utility company. The application states that the subsidiary will acquire the assets and assume the liabilities of Central Pennsylvania in exchange for 26,000 shares of common stock of The Columbia Gas System (plus such additional number of shares as shall equal the redemption price of Central Pennsylvania's preferred stock plus accumulated dividends thereon to the date of closing). To enable the subsidiary to make the proposed acquisition, the Columbia Gas System will deliver the requisite number of shares of its common stock to the subsidiary and will receive therefor common stock of the subsidiary in an aggregate par amount equal to the book value of the net assets of Central Pennsylvania.

**PENNZOIL SEEKS ORDER.** Pennzoil Company, Houston, Tex., registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to issue from time to time up to 428,571 shares of its common stock upon conversion of \$30,000,000 of its 4-1/2% outstanding convertible subordinated debentures (due 1985); and the Commission has issued an order (Release 35-15474) giving interested persons until June 7 to request a hearing thereon. The debentures are convertible into common stock of Pennzoil at the conversion price of \$70 principal amount of the debentures for each share of common stock. The debentures were issued prior to Pennzoil's registration under the Act as a holding company.

**RESEARCH INVESTING SEEKS ORDER.** Research Investing Corporation, Englewood, N. J., open-end, non-diversified, management investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares, without a sales charge, for substantially all of the cash and securities of Oxford Associates, Inc., Norsam Associates, Inc., and Leroy Associates, Inc.; and the Commission has issued an order (Release IC-4603) giving interested persons until June 2 to request a hearing thereon. According to the application, each of the three companies to be acquired is a personal holding company whose outstanding stock is owned by two individuals. As of March 31, 1966, the net assets of Research Investing and said three companies (combined) amounted to \$55,918,587 and \$238,439, respectively.

**ELKTON TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of The Elkton Company for a further 10-day period, May 18-27, 1966, inclusive.

**SAFEGUARD INDUSTRIES PROPOSES OFFERING.** Safeguard Industries, Inc., 1616 Walnut St., Philadelphia, Pa. 19103, filed a registration statement (File 2-25004) with the SEC on May 13 seeking registration of 200,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Van Alstyne, Noel & Co., 40 Wall St., New York. The public offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment. Upon completion of this offering, the company has agreed to deliver to the principal underwriter five-year warrants to purchase 16,000 shares of common stock.

The company designs, manufactures and distributes business systems and forms, and manufactures and sells automotive replacement parts and components for power transmission systems. The prospectus states that the company has a commitment from two insurance companies for a 15-year loan of \$928,000, conditioned on the completion of this underwriting. Similarly, this underwriting is conditioned on the granting of the loan.

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The company intends to use the combined proceeds to repay \$2,555,000 of indebtedness (approximately \$2,200,000 of which was incurred in connection with the purchase of Safeguard Precision Products, Inc., a wholly-owned subsidiary), and the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 301,560 common shares, of which management officials own 17.6%. Warren V. Musser is president and board chairman.

**REVISED O/C FEES PROPOSED.** The SEC today announced a revised proposal under the Securities Exchange Act (Release 34-7889) with respect to the establishment of fees for brokers and dealers who are registered with the Commission but are not members of the National Association of Securities Dealers, Inc. In the Securities Acts Amendments of 1964, the Commission was directed to provide regulation of nonmember broker-dealers comparable to that of a self-regulatory association, and it was authorized to levy reasonable fees and charges. Interested persons may submit their views and comments upon the revised proposal not later than May 31.

The previous proposal, announced March 16, would impose (1) a base fee of \$150 for each nonmember broker or dealer; (2) \$7 for each associated person engaged directly or indirectly in securities activities for or on behalf of the broker or dealer at any time during the fiscal year; and (3) \$30 for each office of the broker or dealer open at any time during the fiscal year. The proposed rule provides that in no case shall any broker or dealer have to pay more than \$15,000 by virtue of factors (1) and (2)--the base fee plus the \$7 head tax indicated above. The fee of \$30 for each office may not be included in the computation of the \$15,000 maximum.

The revised proposal would add a fee of \$25 to accompany each form (SECO-2) to be filed in behalf of each employee of a firm engaged in securities activities after July 15, 1966. In addition, members of an exchange, although still exempt from the basic fee provision if they (1) carry no customer accounts and (2) derive less than \$1,000 annual income from over-the-counter transactions, would have to file Form SECO-4 (to claim exemption) and SECO-5, the initial assessment form. The revised proposal also would prohibit a broker-dealer who fails to comply with the rule from effecting any over-the-counter securities transactions.

**FOUR STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Carlisle Corporation, College and "C" Sts., Carlisle, Pa. 17013 (File 2-24999) (50,000 shares)  
Standard Oil Company, 910 S. Michigan Ave., Chicago, Ill. 60680 (File 2-25005) (700,000 shares)  
American Petrofina, Incorporated, 50 Rockefeller Plaza, New York 10020 (File 2-25006) (350,013 shares)  
Becton, Dickinson and Company, East Rutherford, N. J. (File 2-25008) (32,496 shares)

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

File NO. O- Registrant	Location
2092 Aberdeen Mfg. Corp**	New York, N.Y.
2097 American Export Isbrandtsen Lines**	New York, N.Y.
2081 Baltimore Aircoil Co**	Baltimore, Md.
2111 Baltimore Business Forms**	Baltimore, Md.
2085 Bets Lab., Inc**	Phila. Penna
2105 Big Three Industrial Gas & Equipment Co**	Houston, Texas
2082 John Blair & Co**	New York, N.Y.

**SECURITIES ACT REGISTRATIONS. Effective May 16:** Asiatic Petroleum Corp. and Royal Dutch Petroleum Co., 2-24863; Cities Service Co., 2-24826; Everest Income Fund, Inc., 2-24389.

\*As estimated for purposes of computing the registration fee.