

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**STAFF REALIGNMENT ANNOUNCED.** SEC Chairman Cary today announced a realignment of functions and personnel of the Division of Trading and Markets, formerly the Division of Trading and Exchanges, and the assignment of personnel in the newly organized Office of Program Planning. These actions are designed to implement certain recommendations of the Report of the Special Study of Securities Markets, which recommended, among other things, that the Division be so organized and staffed that it might more adequately oversee the operation of the self-regulatory agencies, examine on a continuous basis changing market circumstances and regulatory needs and appraise the adequacies of existing regulatory measures. In addition, the Report recommended that the Division's research activities be expanded so that greater emphasis be given to the compilation, analysis and, where appropriate, publication of data concerning certain aspects and developments in the trading markets.

Ralph S. Saul and Irving M. Pollack now serve as Director and Associate Director, respectively, of the Division. David Silver has been designated Special Counsel to the Director; and Charles R. McCutcheon, formerly an Assistant Director, will serve as Adviser to the Director.

The Division as reconstituted will consist of six units, as follows: (a) the Office of Chief Counsel, under Robert Block; (b) a new Office of Regulation, under Norman S. Poser; (c) the Office of Statistical Studies, under the supervision of Assistant Director Vito Natrella, which has been expanded to provide for the compilation of more comprehensive data relating to the trading markets; (d) a new Office of Special Proceedings, under Frederick Moss, which will conduct rules hearings and enforcement proceedings of major importance, as well as assist in the preparation and review of related briefs; (e) the Office of Enforcement, under Thomas W. Rae; and (f) the Office of Criminal Reference, under Mahlon M. Frankhauser.

The Office of Program Planning, under Walter Werner as Director, has the function of assisting the Commission in reviewing and formulating policy and of coordinating activities in the implementation of the Special Study's recommendations. Eugene H. Rotberg will serve as Chief Counsel and Morgan E. Shipman and Richard M. Meyer as Special Counsel. The Office will include a Branch of Economic Research, under Dr. Jonathan V. Levin, Chief Economist, which will advise on economic developments affecting the securities markets and the securities industry and perform special economic research.

Messrs. Silver, Poser, Moss, Rotberg, Meyer and Levin served with the Special Study; Messrs. Silver, Poser, Moss and Rotberg had previously served on the Commission's staff; and Dr. Levin formerly served on the staff of the Federal Reserve Bank of New York.

**SEC ORDER CITES OLIVER H. OAKLEY.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Oliver H. Oakley, doing business as Oakley Investment Securities Company (a sole proprietorship), 722 W. Caley Ave., Littleton, Colo., violated certain provisions of the Exchange Act and, if so, whether his broker-dealer registration should be revoked.

Oakley has been registered with the Commission as a broker-dealer since January 5, 1963. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that Oakley failed to amend his application for broker-dealer registration to reflect a change in his permanent address and that he failed to file a report of his financial condition as of a date from one to five months after his registration became effective in January. A hearing will be held, at a time and place to be announced, for the purpose of taking evidence on the foregoing to determine whether the staff charges are true and, if so, whether Oakley's broker-dealer registration should be revoked.

**CANADIAN RESTRICTED LIST.** The SEC has removed Sapawe Gold Mines Limited from its Canadian Restricted List. The list is comprised of Canadian companies whose securities the Commission has reason to believe 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.

**DELISTING OF EAST BOSTON APPROVED.** The SEC has granted an application of the Boston Stock Exchange to delist the common stock of East Boston Company, effective at the opening of business on October 10, 1963. (Release 34-7151).

**UNLISTED TRADING SOUGHT.** The SEC has issued an order (Release 34-7151) giving interested persons until October 17, 1963 to request hearings upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Campbell Red Lake Mines, Ltd. and a similar application of the Pittsburgh Stock Exchange for such privileges in the common stock of National Steel Corp.

**YOUNG INDUSTRIES FILES FOR STOCK OFFERING.** Young Industries, Inc., 508 West Jefferson St., Louisville, Ky., filed a registration statement (File 2-21763) with the SEC on September 30 seeking registration of 100,000 shares of Class A voting common stock and warrants to purchase an additional 50,000 Class A shares, to be offered for public sale in units consisting of 50 shares and warrants to purchase 25 additional shares. The offering will be made at \$501.25 per unit, without underwriting. The warrants are exercisable at \$10 per share until January 1966.

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The company is engaged in the commercial development of real estate in Kentucky, Indiana, Ohio and Tennessee. Its development projects include all types of commercial real estate activity, primarily the building, leasing and operation of shopping centers. The company now owns, leases or has under option 9 properties in various stages of commercial development, and expects to acquire such other sites as may be desirable. The net proceeds from the sale of the units will be used to eliminate certain obligations and to develop and/or acquire certain properties. Of such proceeds, \$435,000 will be used to pay the balance due under the purchase agreement between the company and Margaret Rinehart and Jane Rinehart Green pursuant to which the company acquired 98% of the capital stock of Franklin Pioneer Corp.; \$410,000 to eliminate a second mortgage of the Youngstown Shopping Center (Jeffersonville, Indiana), payable to a 98% owned subsidiary, Franklin Pioneer Corp.; and the balance will be either loaned to Franklin Pioneer or directly advanced to three shopping center subsidiaries to complete shopping centers already under initial development. In addition to certain indebtedness, the company has outstanding 263,972 shares of Class A stock, of which George A. Young, board chairman, directly and through Eastland, Inc. (100% owned by Young) and his mother and sister, own 93.56%.

**CELANESE CORP. FILES FOR RIGHTS OFFERING.** Celanese Corporation of America, 522 Fifth Ave., New York, filed a registration statement (File 2-21754) with the SEC on September 27 seeking registration of 964,390 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each 8 shares held. Unsubscribed shares are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Place, New York. The record date, subscription price (maximum \$60 per share\*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells a diversified line of petrochemicals, pulps, fibers, polymers and plastics. The net proceeds from the stock sale will be added to general funds which are expected to be used primarily to finance expansion of production facilities in all operating divisions and for additional investment in subsidiaries and related companies. In addition to certain indebtedness and preferred stock, the company has outstanding 7,715,116 shares of common stock, of which management officials as a group own about 1%. Harold Blancke is board chairman and president.

**"BEN FRANKLIN IN PARIS" FILES FINANCING PLAN.** Ben Franklin In Paris Company, a limited partnership to be formed under New York law, filed a registration statement (File 2-21764) with the SEC on September 30 seeking registration of \$450,000 of limited partnership interests (plus \$67,000 of interests subject to involuntary overcall), to be offered for public sale at \$3,000 per interest. The offering will be made by The George-Granat Corporation, producer of the play and general partner in the partnership.

The partnership will be formed when \$450,000 has been raised as a result of this offering for the purpose of producing a dramatico-musical play tentatively entitled "Ben Franklin In Paris." Sidney Michael is the bookwriter-lyricist and Mark Sandrich the composer. The producer has engaged Robert Preston to star in the leading role of Ben Franklin. As compensation for his services, Preston will receive weekly a sum equal to 10% of the gross weekly box office receipts for such week, with a minimum guarantee of \$3,000 per week. In addition, he will receive sums equal to 10% of the net profits of the partnership. The producer will be entitled to receive 50% of the net profits of the partnership (for which it will make no cash contribution) as well as a producer's fee of 1% of the gross weekly box-office receipts and aggregate cash office charge of \$350 per week for each company of actors formed to present the play. The authors will receive 6% of gross weekly box-office receipts.

**MID-AMERICA MINERALS FILES FOR OFFERING.** Mid-America Minerals, Inc., 500 First Equity Bldg., Oklahoma City, Okla., filed a registration statement (File 2-21765) with the SEC on September 30 seeking registration of \$2,500,000 of participations in its Oil and Gas Fund (plus an additional \$625,000 of assessments for completion of wells), to be offered for public sale at \$10,000 per participation. The offering will be made on a best efforts basis by Midamco, Inc., a wholly-owned subsidiary of the company, which will receive a \$100 per participation selling commission. The Oil and Gas Fund will consist of an undetermined number of oil and/or gas projects, each of which will consist of working interests under one or more oil and gas leases expected to be located in the Mid-Continent, Rocky Mountain and Gulf Coast areas. The proceeds of this offering are intended to cover the costs to the participants of acquiring the projects, or interests therein, and of drilling the first well on each of them to the point of running the production string of casing or of abandoning them if they are dry. The company will receive a 25% "carried" interest, on a lease-by-lease basis, in each project made a part of the Fund, which interest will be acquired by the company at no cash cost. John W. Fisher is board chairman of the company and John W. Nichols is president. It has outstanding 823,358 shares of common stock, of which management officials as a group own about 58%.

**CONTINENTAL VENDING SUSPENSION CONTINUED.** The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, October 4 to October 13, 1963, inclusive.

**TASTEE FREEZ SUSPENSION CONTINUED.** The SEC has ordered the suspension of trading in the common stock of Tastee Freez Industries, Inc. on the American Stock Exchange and over-the-counter market for a further ten-day period, October 4 to October 13, 1963, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective October 2: Loral Electronics Corp. (File 2-21575); Sapawe Gold Mines, Ltd. (File 2-21637). Effective October 3: Belden & Blake & Co. (File 2-21724); Guerdon Industries, Inc. (File 2-21668); Pomeroy Smith-Ewing & Hungville, 64 Ltd. (File 2-21677); Raychem Corp. (File 2-21464); Nevada Power Co. (File 2-21689).

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