

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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)

(Issue No. 63-10-6)

FOR RELEASE October 8, 1963

**SEC ORDER CITES R. B. HAMBRICK INVESTMENTS.** Based upon allegations of its staff, the SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Richard Bronner Hambrick, doing business as R. B. Hambrick Investments, 1443 North 5th St., Abilene, Texas, engaged in certain activities violative of provisions of the Federal securities laws and, if so, whether his broker-dealer registration should be revoked. Hambrick has requested withdrawal of his registration; and this request will be ruled upon by the Commission at the conclusion of these administrative proceedings.

Hambrick has been registered with the Commission as a broker-dealer since October 1962. The staff asserts, among other things, that he is directly or indirectly controlled by Jack McQueen and Dan T. Sorrells, together with three affiliated companies (Key Western Investment Corporation, Key Western Life Insurance Company and Western Fidelity Life Insurance Company, all Texas companies), which fact was not disclosed in his registration application. It is further asserted by the staff that, in the sale of stock of Life Insurance Stock Fund, Inc., as well as the sale of investment contracts arising from and in connection with the sale of a "package" program consisting of insurance policies and mutual fund shares and the sale of an equity fund-plan involving an investment contract, Hambrick, McQueen, Sorrells and the three affiliated companies made false and misleading representations and otherwise violated the anti-fraud and other provisions of the Federal securities laws.

A hearing will be held, at a time and place to be announced to take evidence on the staff charges for the purpose of determining whether the alleged violations occurred and, if so, whether Hambrick's registration should be revoked.

**REGISTRATION OF FIRST CITIZENS CANCELLED.** The SEC has issued an order under the Securities Exchange Act of 1934 cancelling the broker-dealer registration of First Citizens Corporation, 3850 West Santa Barbara Ave., Los Angeles. In August 1962, according to the order, the firm and Howard Lewis, president and controlling stockholder, were permanently enjoined (upon consent) by a Federal court in California from violating the Commission's net capital rule. Moreover, the firm is said to have ceased doing business as a broker or dealer.

**PIKE'S PEAK NATIONAL LIFE OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Pike's Peak National Life Insurance Co., 312 PBMI Bldg., Denver, Colo. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on August 1, 1961, the issuer proposed the public offering of 150,000 shares of Class A non-voting common stock at \$2 per share. John B. Bennet, doing business as Bennet Brokerage and Agency, was named as underwriter on a best-efforts basis. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that the company's offering circular was false and misleading in respect of certain material facts. The alleged misrepresentations involve (1) the failure to disclose that United Underwriters, Ltd., an affiliated issuer, its officers, employees and agents have been permanently enjoined by a Federal court in Kansas from further violations of the Kansas Securities Act in the offer and sale of its own securities; (2) that United Underwriters was offering and selling its securities in violation of the Securities Act registration requirements (as well as the Kansas Securities Act); and (3) that Pike's Peak National was offering its securities in violation of the Kansas Securities Act.

**COMPLAINT CITES WORLD WIDE AUTOMATIC ARCHERY.** The SEC Seattle Regional Office announced October 3 (LR-2757) the filing of court action (USDC, Seattle) seeking to enjoin World Wide Automatic Archery, Inc., Samuel T. Mendenhall and Gerald B. Hegg, all of Seattle, from further violations of the Securities Act registration provisions in the offer and sale of promissory notes of World Wide as well as other securities in corporations to be formed.

**JERSEY CENTRAL POWER FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14953) authorizing Jersey Central Power & Light Company, Morristown, N. J. utility subsidiary of General Public Utilities Corporation, a registered holding company, to sell at competitive bidding \$9,000,000 of debentures due 1988. The proceeds will be applied toward the company's 1963 construction program (estimated at \$30,000,000), to partially reimburse treasury for such expenditures or to pay short-term notes due banks which were issued for such purpose.

**FIXED TRUST OIL SHARES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3782) declaring that Fixed Trust Oil Shares, of New York, has ceased to be an investment company.

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**JAY LENNON CO. RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-3783) permitting The Jay Lennon Company, of Hartford, Conn., principal underwriter for and sponsor of the Aetna Life Stock Investment Program, Connecticut General Stock Investment Programs and Travelers Stock Investment Programs, each a registered unit investment trust, to offer such programs at reduced public offering prices.

**ELECTRONICS INTERNATIONAL CAPITAL RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3784) exempting certain transactions involving an exchange of securities and other property between Novak Electronics, a Belgian corporation controlled by Electronics International Capital Limited, a closed-end investment company of Bermuda, and Electronic Continental Anstalt of Vaduz, a Liechtenstein corporation and an affiliated company of Novak. EICL owns 62% and Vaduz 10% of the outstanding capital stock of Novak. Vaduz is a holding company whose outstanding shares are owned by 13 stockholders, including M. A. Huygen, who owns 55%. The proposed transactions are pursuant to agreements among EICL, Novak and Huygen providing for the termination of Huygen's employment contract with Novak as well as a complete severance of the Huygen-Vaduz interests in Novak through an exchange of securities.

**UNLISTED TRADING GRANTED.** The SEC has granted applications of the Detroit Stock Exchange (Release 34-7154) for unlisted trading privileges in the common stocks of the following companies: American Photocopy Equipment Co., Bell & Howell Co., Colgate-Palmolive Co., Eastern Air Lines, Inc., Firestone Tire & Rubber Co., B. F. Goodrich Co., KVP Sutherland Paper Co., E. J. Korvette, Inc., Liggett & Myers Tobacco Co., Litton Industries, Inc., Outboard Marine Corp., Proctor & Gamble Co., Pure Oil Co., R. J. Reynolds Tobacco Co., San Diego Imperial Corp., Stouffer Foods Corp., Texas Eastern Transmission Corp., Twentieth Century-Fox Film Corp.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order (Release 34-7154) giving interested persons until October 22, 1963 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Bristol-Meyers Company.

**AEROSYSTEMS TECHNOLOGY FILES FOR STOCK OFFERING.** Aerosystems Technology Corporation, 1275 Route 23, Wayne, N. J., filed a registration statement (File 2-21777) with the SEC on October 4 seeking registration of 165,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on an agency best efforts basis by Chase Securities Corporation, 350 Fifth Ave., New York, which will receive a 45¢ per share selling commission and up to \$14,850 for expenses. The statement also includes 5,000 shares to be issued to the underwriter on the basis of one share for each 33 shares sold.

Organized in 1956, the company since February 1963 has been engaged in manufacturing and marketing a new line of motor speed controls to govern the speed of electric powered tools such as drills, bandsaws, sabersaws, torque wrenches, powered screw drivers and specialized industrial machines having a need for speed regulation. The prospectus states that the company has received only negligible income to date through the sale of engineering services, and orders have only recently been received for two of its commercial products. The company has entered into a manufacturing agreement with Whippany Electronics Company, of Caldwell Township, N. J., whereby Whippany will be the company's exclusive manufacturer of the company's line of Powr-Plus motor speed controls and specialized motor control circuits. The \$495,000 estimated net proceeds from the stock sale will be used for machinery and capital equipment for support of research, development and commercial product production programs; for additional leased facilities; for inventory, advertising and marketing research and development programs; for preparation and submittal of technical proposals; to cancel a negotiable promissory note for property; and for general working capital.

The company has outstanding 223,070 shares of common stock, of which Charles J. Fletcher, board chairman and president, owns 74% and management officials as a group 77%. Sale of the new stock to the public at \$3 per share will result in an increase in the book value of stock now outstanding from 31¢ to \$1.42 per share with a resulting dilution of \$1.58 per share in the book equity of stock purchased by the public.

**COOPERATIVE GRANGE LEAGUE FEDERATION FILES FOR STOCK OFFERING.** Cooperative Grange League Federation Exchange, Inc., Terrace Hill, Ithaca, N. Y., filed a registration statement (File 2-21778) with the SEC on October 4 seeking registration of 10,000 shares of 4% cumulative preferred stock (\$100 par) and 400,000 shares of common stock, to be offered at \$100 and \$5 per share, respectively (without underwriting). According to the prospectus, the present offering constitutes a continuation of earlier and similar offerings of these same classes of securities. The preferred stock may be purchased by both farmer and non-farmer patrons of GLF Exchange and by any other persons, and the offering of common stock is restricted to present members of the Exchange and to farmers interested in becoming members.

**GAMBLE-SKOGMO SHARES IN REGISTRATION.** Gamble-Skogmo, Inc., 15 North Eighth St., Minneapolis, filed a registration statement (File 2-21781) with the SEC on October 4 seeking registration of 200,000 shares of common stock underlying warrants exercisable at \$26 per share until May 1970 and 200,000 common shares issued or to be issued upon exercise of Employees' Restricted Stock Options. According to the prospectus, holders of such securities may make a public offering thereof from time to time in the over-the-counter market or through private negotiated sales (in the case of the common shares on any exchange upon which the stock may be listed) at prices prevailing at the time of sale. The company sells a variety of products at retail through company-owned stores and at wholesale to independent franchised dealers, and it also sells through mail order catalogues. The company has an interest in Alleghany Corp. In addition to certain indebtedness and preferred stock, the company has outstanding 2,687,326 shares of common stock, of which Founders Incorporated owns 37.2% and B. C. Gamble, board chairman, owns indirectly 10% principally through his ownership of Founders and Filbert Corporation (which indirectly owns 10% of the company's stock by virtue of its ownership of 32% of Founder's stock). Directors of the company and their associates control 49.2% of the company's outstanding stock. The prospectus lists 11 holders of the outstanding warrants including Massachusetts Mutual Life Insurance Company (40,000). C. C. Raugust is president.

**TRANS WORLD AIRLINES FILES STOCK PLAN.** Trans World Airlines, Inc., 380 Madison Ave., New York, filed a registration statement (File 2-21784) with the SEC on October 4 seeking registration of 330,000 shares of common stock, to be offered pursuant to its Incentive Stock Option Plan for Key Employees.

**NEW ENGLAND POWER FILES FINANCING PLAN.** New England Power Company, 441 Stuart St., Boston, filed a registration statement (File 2-21785) with the SEC on October 7 seeking registration of \$10,000,000 of first mortgage bonds (series K) due 1993 and 100,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. The net proceeds from this financing will be used to pay some \$20,000,000 of short-term notes incurred for prior construction or to reimburse the treasury therefor; and the balance will be applied to similar purposes. Construction expenditures for the period August 1963 through December 1966 are estimated at \$35,000,000. In addition to certain indebtedness and preferred stock, the company has outstanding 3,307,039 shares of common stock, all of which are owned by New England Electric System, of Boston. William Webster is president and Irwin L. Moore is board chairman.

**SECURITY TITLE AND GUARANTY FILES FOR RIGHTS OFFERING.** Security Title and Guaranty Company, 17 East 45th St., New York, filed a registration statement (File 2-21786) with the SEC on October 7 seeking registration of 125,000 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each share held. Unsubscribed shares are to be offered for public sale through New York Hanseatic Corporation, 60 Broad St., New York. The record date, subscription price (maximum \$7.50 per share\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of examining and insuring titles to real property, principally in New York, New Jersey and Connecticut. The net proceeds from the stock sale will be added to general funds. The company anticipates that the additional capital funds resulting from the offering will increase the face amount of individual insurance policies institutional lenders will consider placing with the company. In addition to certain indebtedness, the company has outstanding 125,000 shares of common stock, of which Investors Funding Corporation of New York owns 29.4% and management officials as a group (together with their wives and family trusts) about 17.8%. Jerome Dansker, board chairman, Norman Dansker, vice chairman, and Raphael M. Dansker, a director (together with their wives, controlled companies and trusts) own an aggregate of 20.2% of the outstanding Class A and 95.1% of the outstanding Class B stock of Investors Funding. Jerome Dansker is board chairman and president of Investors Funding; and the other two Danskers are also officers of that company. Seymour Fischman is president of the Security Title and Guaranty.

**CLARIFICATION RE GORDON REALTY.** In the SEC News Digest of October 1st, with reference to the registration statement filed by I. Gordon Realty Corporation (File 2-21741), it was stated that the balance of the proceeds of the debenture financing would be used for general corporate purposes, "including costs of acquisitions of properties to be acquired (although the prospectus states that no particular acquisition is under consideration at this time)." The prospectus stated "no particular additional acquisition," (emphasis supplied) is under consideration (one property acquisition pursuant to an August 1963 contract is referred to in the prospectus).

**SECURITIES ACT REGISTRATIONS.** Effective October 4: Recording Industries Corp. (File 2-21591).  
Effective October 7: United Nuclear Corporation (File 2-21573).  
Effective October 8: Jersey Central Power & Light Co. (File 2-21652); Republic National Life Insurance Co. (File 2-21676); The United States Shoe Corp. (File 2-21710).

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

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