

# 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 January 5, 1960

**SEC ACTION CITES TWO NEW YORK FIRMS.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the following defrauded investors in the offer and sale of stock of Shelton Warren Oil Co., Inc., ("Shelton," of Roswell, N. M.), and, if so, whether their broker-dealer registrations should be revoked:

Biltmore Securities Corp., 160 Broadway, New York, N. Y.

Jacwin & Costa, Inc., 33 Broadway, New York, N. Y.

According to the Commission's order, information developed in investigations conducted by its Staff tends if true to show that each of the two firms, together with certain named individuals, offered and sold Shelton stock during the period November 1958 to November 1959 by means of false and misleading representations of material facts and "engaged in acts, practices and a course of business which operated as a fraud and deceit" upon the purchasers thereof. The persons named as having been associated with Biltmore Securities in these activities were Wilbur Buff, its president, and Samuel Goldberg, general manager; and those associated with Jacwin & Costa were Frank H. Burd, president, Irvin W. Jacwin, secretary, Joseph A. Costa, vice president, and Paul Arno, a salesman.

The misrepresentations attributed to both firms included statements with respect to the future price of Shelton stock, the amount of such stock available, the listing of the stock on the New York Stock Exchange, the financial position of Shelton and its future earnings possibilities, and the comparability of an investment in Shelton with an investment in a major oil company. Additional misrepresentations charged (a) to Biltmore Securities related to the length of time it had been engaged in the securities business, the market price of Shelton stock, and a proposed merger of Shelton; and (b) to Jacwin & Costa related to an important oil strike by Shelton and dividends paid and to be paid on its stock.

Consolidated hearings will be held for the purpose of taking testimony with respect to the foregoing at a time and place to be announced later. The proceeding with respect to each firm also involves the question whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. (Copies of release available in SEC New York Office)

**MERRIMACK-ESSEX ELECTRIC TO REFINANCE NOTES.** Merrimack-Essex Electric Company, Boston, Mass., has applied to the SEC for an order under the Holding Company Act permitting it to issue and sell \$3,750,000 of bank notes; and the Commission has issued an order (Release 35-14132) giving interested persons until January 19, 1960, to request a hearing thereon.

Merrimack has outstanding short-term notes in the amount of \$9,775,000, of which \$7,000,000 face amount is held by its parent, New England Electric System, and \$2,775,000 by banks. It proposes to issue and sell \$3,750,000 of notes to The First National Bank of Boston and use the proceeds to prepay an equal face amount of notes held by NEES.

**SWIFT & CO. FILES SAVINGS PLAN.** Swift & Company, Chicago, filed a registration statement (File 2-15997) with the SEC on January 4, 1960, seeking registration of 20,000 shares of its common stock, to be offered to eligible employees of the company and two subsidiaries pursuant to the company's Savings and Security Plan.

**NORTHEAST INVESTORS SHARES IN REGISTRATION.** Northeast Investors Trust, Boston, investment company, has filed an amendment to its registration statement (File 2-11318) with the SEC seeking registration of an additional 100,000 shares of beneficial interest in the trust.

**AXE-HOUGHTON FUND SHARES IN REGISTRATION.** Axe-Houghton Fund B, Inc., Tarrytown, N. Y., investment company, filed an amendment January 4, 1960, to its registration statement (File 2-11318) seeking registration of an additional 3,000,000 common shares.

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