ECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

ssue No. 64-5-17) FOR RELEASE May 25, 1964

tatistical Release No. 1976. The SEC Index of Stock Prices,[1/] based on the closing prices of 300 common stocks or the week ended May 22, 1964, for the composite and by major industry groups compared with the preceding eek and with the highs and lows for 1964 is as follows:

	1957-59 = 100		Percent	1964	
	5/22/64	5/15/64	Change	High	Low
omposite	164.5	165.0	-0.3	165.3	153.6
anufacturing	155.8	156.7	-0.6	157.1	144.6
Durable Goods	152.1	152.8	-0.5	153.3	141.5
Non-Durable Goods	159.5	160.5	-0.6	160.8	147.7
ransportation	162.1*	157.3	3.1	162.1	138.3
ility	196.0	195.9	0.1	199.2	192.1
rade, Finance & Service	195.8	195.9	-0.1	195.9	176.6
ining	160.9	161.0	-0.1	162.5	139.2

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 21, 1964, 17 registration statements ere filed, 28 became effective, 1 was withdrawn, and 267 were pending at the week-end.

GODDARD & CO. DISMISSAL MOTION DENIED. The SEC today announced a decision denying a motion of J. H. oddard & Co., Inc., Boston broker-dealer firm, for dismissal of administrative proceedings based upon staff harges that the said firm engaged in activities involving transactions in stock of United Security Life In- urance Co. violative of the registration, anti-fraud and anti-manipulative provisions of the Federal securi- ies laws. The motion was based on the ground that the institution of public rather than private proceedings s a denial of due process. Citing its precedents governing the conduct of public hearings, the Commission tated that it was satisfied "in the instant case that the gravity of the charges alleged when viewed in light f the extensive public trading involved reflects a substantial public interest in the subject matter of the earings." The Commission also observed that in a civil action against United (which consented to a court njunction), an affidavit attached to the SEC complaint stated that a large block of the stock had been istributed through the Goddard firm, although no registration statement had been filed. Other reasons for aking proceeding public also were related, including that of apprising investors of possible causes of action. he Commission also rejected the respondent's claim that a release announcing the proceeding created the mis- eading impression later reflected in news articles in the press that the Commission, rather than its staff, d brought the charges and had already "convicted" the respondents. The specific wording of the release ndicated clearly that the charges were brought by the staff, not the Commission.

The Commission also dismissed respondent's motion for dismissal of the allegation that Rule 10b-6 (the nti-manipulation rule) was violated, on the ground that the rule is so vague as to be violative of the due rocess clause. The Commission stated that the motion to dismiss for vagueness is premature - that until vidence has been presented indicating the nature of respondent's activities with respect to selling, bidding r or purchasing the United stock, the Commission is not in a position to determine whether the rule is vague applied to respondent's activities or is applicable at all. But the Commission called attention to prior terpretations of the rule which, it indicated, "are sufficiently precise to furnish a guide to the persons ffected by the Rule, particularly where these persons, as here, are not laymen, but experienced members of e securities business."

A hearing for the purpose of taking evidence on the issues in these proceedings has been scheduled for :00 A.M., June 23, 1964, in the SEC Boston Regional Office. (Release 34-7321)

NASD DISCIPLINE OF COMMONWEALTH SECURITIES SUSTAINED. In a decision under the Securities Exchange Act nounced today (Release 34-7322), the SEC dismissed a petition filed by Commonwealth Securities Corporation, E. State St., Columbus, Ohio, for review of NASD disciplinary action against the firm. The NASD had ex- lled Commonwealth for its refusal to honor contracts to purchase 38,000 shares of Insurance Corporation of erica common stock from two member firms, in violation of the high standards of commercial honor and the st and equitable principles of trade required by the NASD Rules of Fair Practice. Subsequent to the filing its petition for review of this action, Commonwealth was expelled by NASD in another proceeding for vio- ting the record-keeping requirements of the Act, as well as failure to properly supervise its registered presentatives. As no appeal has been filed by the firm within the time specified, the expulsion has become fective. Thus, the proceedings in the pending appeal are now moot.

FOUR REG A OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions om registration under the Securities Act of 1933 with respect to public offerings of securities by the llowing:

OVER

1/ To be discontinued after June 1st issue.

1) Holloway Outdoor Advertising, Inc., Los Angeles, Calif. ("Holloway")
In a notification filed in February 1961, this company proposed the public offering of 90,000 common shares at $2.50 per share through Pacific Coast Securities Company, Inc. ("Pacific")

2) Omega Precision, Inc., Azuza, Calif.
The notification of "Omega," filed in September 1960, proposed the public offering of 120,000 common shares at $2.50 per share; and it also named Pacific as the underwriter

3) Solar Systems, Inc., North Hollywood, Calif.
In its notification, filed in April 1961, "Solar" proposed the public offering of 125,000 common shares at $2 per share through Darius, Inc.

4) U.S. Systems, Inc., Minden, Nev.
In a notification filed in November 1959, "Systems" proposed the public offering of 100,000 common shares at $3 per share through Pacific and Paul C. Kimball and Company

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding $300,000 in amount. In its suspension orders, the Commission asserts that it has "reason to believe" that each of the above-named respondent companies failed to comply with certain terms and conditions of Regulation A and that the public offering and sale of its shares violated Section 17 (the anti-fraud provisions) of the Act. With respect to each company, the Commission charges a failure to disclose the existence and identity of certain affiliates, as well as the inclusion of false and misleading information in its offering circular. The alleged misrepresentations included the following: Holloway failed to make proper disclosure of material transactions with its predecessor or to disclose material adverse changes in its financial condition; Omega failed to make proper disclosure of adverse changes in its financial condition and changes in the intended use of the proceeds of its stock sale; Solar failed to make proper disclosure of the intended use of proceeds as well as its business and products; and Systems failed to make proper disclosure of the intended use of proceeds and remuneration to be paid management officials.

AXE-HOUGHTON FUNDS, ET AL SEEK EXEMPTION ORDER. Axe-Houghton Fund A, Inc., Axe-Houghton Fund B, Inc., Axe-Houghton Stock Fund, Inc., and Axe Science Corporation, all New York registered open-end diversified investment companies; E. W. Axe & Co., Inc., the investment adviser to Fund A, Fund B and Stock Fund and sub-adviser to Science Fund; Axe Science Management Company, Inc., the investment adviser to Science Fund; and Axe Securities Corporation, principal underwriter for the four Funds, have applied to the SEC for an exemption order under the Investment Company Act with respect to services provided to the Funds by Axe & Co., Axe Science Management and Axe Securities, during a period following the death of Emerson W. Axe, a controlling person of such companies, without approval by a majority of the outstanding voting securities of the Funds of new underwriting and investment-advisory contracts or approval of such services by a majority of the unaffiliated directors of the Funds. The Commission has issued an order (Release IC-3981) giving interested persons until June 8 to request a hearing thereon.

STEPHENSON FINANCE PROPOSES OFFERING. Stephenson Finance Company, Inc., 518 South Irby St., Florence, S. C., filed a registration statement (File 2-22437) with the SEC on May 22 seeking registration of $1,500,000 of 6% Sinking Fund Subordinated Debentures, due 1979. The debentures are to be offered for public sale at 100% of principal amount through underwriters headed by Alester G. Furman Co., Inc., of 13-17 S. Main St., Greenville, S. C., which will receive a commission of 2.3%. The company is engaged in the business of financing installment purchase of consumer goods, primarily automobiles and household appliances, in North and South Carolina and eastern Georgia. Net proceeds of this financing will be used to redeem $1,162,925 of outstanding 6½% debentures due September 1967; and the balance will be added to general funds of the company and used to repay short-term bank loans. In addition to indebtedness and preferred stock, the company has outstanding 381,620 shares of common stock, of which management officials own 41.83%. J. Phil Stephenson is president and board chairman.

COASTAL CHEMICAL PROPOSES OFFERING. Coastal Chemical Corporation, Yazoo City, Miss., filed a registration statement (File 2-22442) with the SEC on May 22 seeking registration of 40,000 shares of Class A common stock, to be offered for public sale at $35 per share, and 150,000 shares of Class D common stock, to be offered at $30 per share. The offerings will be made through company employees and through Missouri Chemical Corporation (MCC) on a best-efforts basis, for which they will receive a 33¢-per-share commission.

The company, a partially owned subsidiary of MCC, has the primary function of providing manufactured products (high-analysis fertilizers, anhydrous ammonia, and other fertilizer materials) to stockholders who use such products. Net proceeds from its stock sale will be applied to the company's construction program (estimated at $5,971,700), and any remaining funds will be used for working capital. In addition to indebtedness, the company has outstanding 376,484 shares of Class A common stock, 2,500,000 Class B common shares, 117,314 shares of Class C common stock, and 243,668 Class D common shares, of which management officials own .8% of Class A, 2.8% of Class C, and .4% of Class D shares. All outstanding Class B stock, acquired at par value of 10 cents per share, is owned by MCC. LeRoy P. Percy is listed as board chairman and Owen Cooper as president of the company. All but six of the company's directors are currently serving as directors of MCC.

CONTINUED

INTERNATIONAL SILVER FILES FOR SECONDARY. The International Silver Company, 500 S. Broad St., Meriden, Conn., filed a registration statement (File 2-22444) with the SEC on May 22 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made by Dillon, Read & Co. Inc., 46 William St., New York, and two other underwriters. The public offering price ($50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture of silverware. In addition to indebtedness and preferred stock, it has outstanding 1,356,127 common shares, of which management officials as a group own 4.9%. The prospectus lists two selling stockholders, as follows: Engelhard Industries, Inc., offering its entire holding of 64,376 shares, and Engelhard Hanovia, Inc., offering 35,624 of its holding of 111,074 shares. C. W. Engelhard (a director of the company) and certain of his associates own 70.85% of the outstanding common stock of Engelhard Hanovia, which in turn owns 73.02% of the outstanding common stock of Engelhard Industries, Inc. Craig D. Munson is listed as company president.

SPENCER-KENNEDY LABS PROPOSES DEBENTURE OFFERING. Spencer-Kennedy Laboratories, Inc., 1320 Soldiers Field Rd., Boston, filed a registration statement (File 2-22441) with the SEC on May 22 seeking registration of $750,000 of 6-1/2% of convertible subordinated debentures (due 1979), to be offered for public sale at 100% of principal amount. The offering will be made through an underwriting group headed by Coffin & Burr, 141 Milk St., Boston, and two other underwriters, which will receive an 8% commission.

The company's principal business is the design, development, manufacture and marketing of electronic and mechanical equipment for use in receiving, amplifying and transmitting, other cables, closed circuit television and other signals. Of the net proceeds from its debenture sale, $500,000 will be used to reduce short-term bank borrowings and other current indebtedness, and the balance will be used initially to finance increased inventories and accounts receivable and the working capital requirements of affiliated community antenna television systems (CATV). The company expects that within the next year it will make additional investments in majority-owned CATV systems which will require funds both for construction and operating purposes (estimated at $1,929,000). In addition to indebtedness, the company has outstanding 250,131 common shares, of which management officials as a group own approximately 53%. George W. W. Brewster is board chairman and Donald Spencer is president.

WARNER BROS FILES STOCK PLAN. The Warner Brothers, 325 Lafayette St., Bridgeport, Conn., filed a registration statement (File 2-22443) with the SEC on May 22 seeking registration of 9,640 shares of $1.22½ cumulative convertible preferred stock and 136,720 shares of common stock, to be offered under its Employees' Stock Options and Employee Restricted Stock Options of the Puritan Sportswear Corp. Options to purchase 7,900 shares of the common stock are outstanding; options to purchase 162,100 shares have been exercised; and 880 shares are available for grant of options.

COURT ENJOINS LOVERA EXPLORATION. The SEC Fort Worth Regional Office announced May 18th (LR-2942) the entry of a Federal court order (USDC, Abilene, Tex.) permanently enjoining Lovera Exploration Company, Inc., and Lawrence Dean Romack, its president, of Abilene, from violations of the Securities Act registration requirements. The defendants consented to the entry of the order.

SECURITIES ACT REGISTRATIONS. Effective May 22: Reliance Insurance Co. (File 2-22377).
Effective May 25: Food Facilities Management Corp. (File 2-22232); Hart Schaffner & Marx (File 2-22248); Minnesota Mining and Manufacturing Co. (File 2-22356); National Steel Corp. (File 2-22402).
Withdrawn May 22: R.E.D.M. Corp. (File 2-21545).

*As estimated for purposes of computing the registration fee.

---ooo0ooo---