

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

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

(Issue No. 64-8-12)

FOR RELEASE August 19, 1964

**REGISTRATIONS OF TWO L.A. FIRMS REVOKED.** The SEC today announced a decision (Release 34-7394) revoking the broker-dealer registrations of Standard Securities Corporation, 7805 Sunset Blvd., and American-International Securities, Inc., 7755 Sunset Blvd., both of Los Angeles. James L. Fallon, president and sole stockholder of both firms, and Herbert H. Meyer, formerly secretary-treasurer and a director of each, were each found to be a cause of such revocation. The respondents defaulted, in that they failed to file an answer to the charges contained in the order instituting the revocation proceedings. The revocation order was based upon violations (among others) of the anti-fraud provisions of the Federal securities laws in the sale by respondents of stock of Bradford Industries, Inc., Filmaster, Inc., and Wonderbowl, Inc. According to the decision, they offered securities of these companies, which were unseasoned and speculative in nature, by intensive telephone and mail solicitations of persons with whom they were previously unacquainted, through salesmen who were lacking in experience and training in the sale of securities. Standard sought to place customers in a position where they were asked to make hasty decisions to buy the securities on the basis of unsubstantiated, flamboyant, untrue and misleading representations with respect to, among other things, the history, business, financial condition and future prospects of the issuers. Moreover, Standard engaged in securities transactions when it was insolvent, unable to meet its current obligations, and unable to account to customers for monies and securities due them.

**DIOTRON OFFERING SUSPENSION PERMANENT.** The SEC has issued a decision under the Securities Act (Release 33-4713) making permanent its July 1961 order temporarily suspending a Regulation A exemption from registration with respect to a public offering of shares of Diotron, Inc., of 3650 Richmond Street, Philadelphia, Pa. According to the decision, the firm's offering circular was materially false and misleading in that it failed to disclose that the broker-dealer firm of Laird, Bissell & Meeds was an underwriter of the offering. The Commission also found that the offering was made in violation of the anti-fraud provisions of the Securities Act in that representatives of Laird made false and misleading statements to purchasers concerning alleged contracts and future earnings of Diotron; predicted increases in the price of the Diotron stock; and comparisons between Diotron, which was a promotional company, and an established company in the field.

**CONTINENTAL VENDING, TASTEE FREEZ TRADING BANS CONTINUED.** The SEC has issued orders suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period, August 20 to August 29, 1964, inclusive.

**E. F. JOHNSON CO. FILES FOR SECONDARY.** E. F. Johnson Company, 299 Tenth Ave., S. W., Waseca, Minn., filed a registration statement (File 2-22693) with the SEC on August 18 seeking registration of 250,000 outstanding shares of common stock, of which 240,000 shares are to be offered for public sale by the present holders thereof through underwriters headed by Smith, Barney & Co., Inc., 20 Broad St., New York, and Piper, Jaffray & Hopwood, 115 S. Seventh St., Minneapolis, Minn. The remaining 10,000 shares are to be offered to company employees by certain selling stockholders at a price equal to the public offering price. The public offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of complete radio communication equipment and component parts for electronic equipment which are sold to other manufacturers. In addition to indebtedness, it has outstanding 1,400,000 common shares, of which management officials as a group own approximately 40.3%. The prospectus lists 16 selling stockholders, including E. F. Johnson (president) and his wife, who are offering 29,875 shares each of their holdings of 93,975 shares each; Marvin L. Johnson (vice president) and his wife, offering 43,315 shares each of their holdings of 120,015 shares each; Everett R. Johnson (secretary-treasurer) and his wife, offering 18,470 shares each of their holdings of 50,750 shares each; and Irving Koss (vice president), offering 15,000 of 42,000 shares held. The remaining stock being offered ranges in amounts from 3,360 to 8,400 shares.

**BURNS DETECTIVE AGENCY FILES STOCK PLAN.** The William J. Burns International Detective Agency, Inc., 235 E. 42nd St., New York, filed a registration statement (File 2-22694) with the SEC on August 17 seeking registration of 24,772 shares of Class A common stock, to be offered under its Key Employees' Restricted Stock Option Plan.

**BUSINESS FUNDS SEEKS ORDER.** Business Funds, Inc., an SBIC of 824 Bettles Building, Houston, Texas, has applied to the SEC for an exemption order under the Investment Company Act permitting it to transfer certain interests in a \$787,000 promissory note issued to applicant by Arizona City Development Corporation to J. A. McRae in exchange for common stock of Arizona Valley Development Co., Inc., which owns all of the capital stock of Arizona City; and the Commission has issued an order (Release IC-4036) giving interested persons until September 8th to request a hearing thereon. The applicant has entered into an agreement with J. A. McRae, owner of 254,192 shares (57.6%) of the common stock of Arizona Valley and warrants to purchase an additional 52,500 shares, to transfer to him a \$527,637 interest in the Arizona City note in exchange for all of the stock and warrants of Arizona Valley which he holds. At the closing of the transaction between applicant and McRae, First National Bank in Dallas will acquire McRae's interest in the note by payment in cash to McRae of \$508,384.

OVER

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the August 3 News Digest.

Brown-Forman Distillers Corp, July 64, (11)  
 Virginia Commonwealth Corp, Mar 64, (7,11)  
 Holt, Rinehart, & Winston, Inc, May 64, (11)  
 Soo Line Railroad Company, July 64, (7,13)  
 Helme Products, Inc, July 64, (8)  
 Atlas Chemical Industries, Inc, July 64,  
 (12,13)  
 Drewrys Limited U.S.A.Inc, May 64, (12,13)  
 Southern Electric Generating Co, July 64, (3)  
 R C Williams & Co Inc, July 64, (2,13)  
 CCI Corporation, July 64, (12,13)  
 Nortex Oil & Gas Corp, June 64, (3,4,6,7,8,9,  
 11,13)  
 Pall Corporation, July 64, (2,13)  
 Thiokol Chemical Corp, June 64, (12,13)  
 Procter-Sillex Corp, June 64, (11)  
 Eastern Mass. St. Ry. Co., July 64, (6)  
 Edward Hines Lumber Co, May 64, (11)  
 J. M. Smucker Co, July 64, (11)  
 Transamerica Corp, June 64, (2,7,13)  
 Universal Automated Industries, Inc, June 64  
 (2,12,13)  
 Trans-Gulf Develop Corp, May 64, (2,12)  
 Ald, Inc, June 63, 64, (7)  
 Mohawk Airlines Inc, June 64, (7)  
 Bergen Drug Company, Inc, July 64, (3,7,8,13)  
 Kearney & Trecker Corporation, Nov 61,  
 (4,7,13)  
 Eastern Properties Improvement Corp, July 64,  
 (12,13)  
 Delaware Barrel & Drum Co., Inc, July 64,  
 (2,3,11,13)  
 Sioux Mines Co, Dec 63, (8)  
 Republic-Transcon Industries, Inc, Amend #1  
 to 8K for June 64, (12)  
 Chemetron Corporation, July 64, (7,13)  
 P. H. Glatfelter Co, July 64, (8,13)  
 P. J. Ritter Co, July 64, (11)  
 Colt Industries, Inc. (Formerly:  
 Fairbanks Whitney Corp, May 64, (2,4,7,11,13)  
 IMC Magnetics Corp, July 64, (11)  
 Reynolds Metals Co, July 64, (13)  
 Parvin/Dohrmann Company, May 64, (2,11)  
 Wisconsin Southern Gas Co Inc, July 64,  
 (4,7,11,13)  
 Foundation Investment Corp & Gulf States Life  
 Insurance Co, March 64, (11)  
 Finance Co of America, July 64, (4,7,13)  
 McCrory Corporation, July 64, (9)  
 Taft Broadcasting Co, July 64, (11)  
 Struthers Scientific and International Corp  
 July 64, (11)  
 Corn Products Company, July 64, (6,13)  
 Four Corners Oil & Minerals Co, June 64, (11)  
 Garland Knitting Mills, May 64, (7,8)  
 Great National Corporation (Formerly:  
 Marine Drilling, Inc, June 64, (2,11,13)  
 Hi-Shear Corporation, Jan 63, (9)  
 July 63, (9)  
 Container Corp of America, July 64, (8)  
 Mangel Stores Corp, July 64, (12)  
 Personal Industrial Bankers Inc, June 64, (11)  
 Caldor, Inc, July 64, (7)  
 I-T-E Circuit Breaker Company, July 64, (3)  
 International Resistance Co, July 64, (12,13)  
 Williams Bros Co, Amend #1 for May 64, (7)  
 U. S. Markets, Inc, Amend #1 for Feb 64, (2)  
 Tennessee Life Insurance Co, Amend #1 for  
 March 64, (13)  
 Walter E. Heller & Co, Amend #1 for Dec 63,  
 (13)  
 Pacific Clay Products, Amend #1 for July 63,  
 (2,13)

**SECURITIES ACT REGISTRATIONS.** Effective August 18: Pennsylvania Real Estate Investment Trust (File 2-22589). Effective August 19: Brown & Sharpe Manufacturing Co. (File 2-22634). Withdrawn August 18: American Fidelity Life Insurance Co. (File 2-22454).

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

---ooo0ooo---