

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 October 16, 1964

SEC ORDER NAMES TWO PASADENA FIRMS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firms of Leo G. MacLaughlin Securities Co., and Jeanne Wilkins, doing business as Bond & Share Co., both of Pasadena, Calif. Also named as respondents are Millard M. Mier, a director and shareholder of MacLaughlin Securities, John E. Lalich, who became president in January 1962, and Charlene V. Thompson, Geraldine G. Gillespie, and Carolyn J. Hendrickson, officers. Jeanne Wilkins also served as financial adviser to MacLaughlin Securities.

The proceedings are based on staff charges that in 1961 and 1962 the said firms and individuals engaged in activities violative of the anti-fraud and other provisions of the Federal securities laws, particularly in relation to securities transactions with customers assertedly not reasonably related to the current market therefor. These consolidated proceedings are in substitution of proceedings ordered against MacLaughlin Securities on July 27, 1962 (Release 34-6866). MacLaughlin Securities applied for withdrawal from registration in June 1962, and the request is still pending. In July 1962 it was enjoined by Federal court order from violating SEC laws; and it was expelled from membership in the National Association of Securities Dealers, Inc. in April 1963.

At a later date, a hearing will be ordered to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

MULFORD WAKEMAN CO. REGISTRATION CANCELLED. The Commission has cancelled the broker-dealer registration of Mulford Wakeman & Company, Inc., of 1725 Eye St., N. W., Washington, D. C. The said firm was enjoined by Federal court order in December 1961 from further violations of provisions of SEC law, and a court-appointed receiver has liquidated its business.

ADS, INC. REGISTRATION CANCELLED. The Commission has cancelled the broker-dealer registration of American Diversified Securities, Inc., of Washington, D. C. According to the order, the firm has ceased doing business. Officers of the firm, Sidney Haddad, Frederick W. C. Haddad, and Richard A. Gildar, together with Paul M. Sachs, in July 1964 entered pleas of guilty to an information charging violations of Rule 10b-5(2) of the Exchange Act (they previously were enjoined); and subsequently the court suspended imposition of sentence and placed them on probation for three years.

CONTINENTAL VENDING, FOTOCROME AND TASTEE FREEZ TRADING BANS CONTINUED. The SEC has issued orders suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation, Fotochrome, Inc., and Tastee Freez Industries, Inc., for a further ten-day period, October 19-28, 1964, inclusive.

CANADIAN RESTRICTED LIST. The SEC has added Old Smokey Oil and Gas Limited, of Calgary, Alberta, Canada, to its Canadian Restricted List, and dropped the following from such list:

Central and Eastern Canada Mines (1958), Ltd.
Explorers Alliance Ltd.
Sico Mining Corp. Ltd.
Sturgeon Basin Mines Ltd.

The list now comprises the names of ¹³⁶ ~~229~~ 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.

BROAD STREET SALES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4062) authorizing Broad Street Sales Corporation, New York, to exchange its Plans for the Accumulation of Shares of National Investors Corporation (New Plans) for the presently outstanding securities of Plans for the Accumulation of Shares of Continental Growth Fund, Inc. (Old Plans). Details of this proposal were reported in the SEC News Digest of September 29, 1964.

ASCUTNEY FUND SEEKS ORDER. Ascutney Fund, Inc., Springfield, Vt., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4063) giving interested persons until November 5 to request a hearing thereon. According to the application, the Fund (formerly organized under Vermont law) was merged on July 10, 1964 into Ascutney Fund, Inc., a Massachusetts management closed-end diversified investment company.

OVER

GENERAL FINANCE FILES STOCK PLANS. General Finance Corporation, 1301 Central St., Evanston, Ill., filed a registration statement (File 2-22847) with the SEC on October 15 seeking registration of 171,366 shares of common stock, to be offered under its Stock Option Plans.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-7439) giving interested persons until October 28 to request a hearing upon an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Richardson-Merrell Inc.

TWO STOCKS DELISTED. The SEC has issued orders under the Securities Exchange Act (Release 34-7439) granting (1) an application of the Salt Lake Stock Exchange to delist the common stock of Paramount Oil Co., effective at the opening of business on October 26 and (2) a similar application of the New York Stock Exchange to delist the capital stock of Decca Records, Inc., effective at the opening of business on October 27. According to the former application, Paramount failed to furnish required stock records and other information to the Exchange. The outstanding shares of Decca Records have been reduced to 129,804, exclusive of holdings of MCA, Inc.

F.N.M.A. CERTIFICATES EXEMPTED. Guaranteed participation certificates or other guaranteed instruments of the Federal National Mortgage Association, issued under the authority of the National Housing Act, as amended by Section 701(a) of Public Law 88-560, approved September 2, 1964, have been designated exempted securities under the Securities Exchange Act of 1934 by the Secretary of the Treasury pursuant to Section 3(a)(12) of latter Act. This action by the Secretary of the Treasury was previously announced in the Federal Register for October 9, 1964. His letter to the Commission reads:

"Paragraph 12 of section 3(a) of the Securities Exchange Act of 1934 provides in part that the term 'exempted security' or 'exempted securities' as used in such act shall include 'such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors.'

"The National Housing Act, as amended by Section 701(a) of Public Law 88-560, approved September 2, 1964, provides that guaranteed participation certificates or other instruments guaranteed by the Federal National Mortgage Association under that Act, as thus amended 'shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission.'

"Accordingly I am designating for exemption guaranteed participation certificates or other guaranteed instruments of the Federal National Mortgage Association issued under the authority of the National Housing Act, as amended, by section 701(a) of Public Law 88-560, approved September 2, 1964.

"This designation for exemption may be revoked, modified or amended at any time with respect to the certificates or other instruments not issued prior to such time."

SECURITIES ACT REGISTRATIONS. Effective October 15: Max Factor & Co. (File 2-22534).
Withdrawn October 15: American Capital Life Insurance Co. (File 2-22655); Northern Founders Insurance Co. (File 2-22679).

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