

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 December 7, 1962

DELAWARE REALTY EXEMPTED. - The SEC has issued an order under the Investment Company Act (Release IC-3585) declaring that Delaware Realty and Investment Company, Wilmington, has ceased to be an investment company. According to the order, in February 1961 the company was merged into Christiana Securities Company and all of its outstanding capital stock was automatically converted into Christiana common shares. All of the former stockholders of the company have exchanged their certificates representing converted Delaware stock for Christiana stock certificates.

CANTERBURY FUND EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3586) declaring that Canterbury Fund, Inc., Madison, N. J., has ceased to be an investment company. According to the order, the Fund has not issued any shares of capital stock, has no assets, and does not intend to engage in any business activity as an investment company or otherwise.

TRADING BAN IN THREE STOCKS CONTINUED. The SEC has issued orders under the Securities Exchange Act further suspending exchange and over-the-counter trading in the common stocks of the following companies for an additional ten-day period, December 10-19, 1962, inclusive: Black Bear Industries, Inc., Precision Microwave Corp., and Prosper Oil and Mining Company.

DURO-TEST FILES FOR SECONDARY. Duro-Test Corporation, 2321-2401 Hudson Blvd., North Bergen, N. J., filed a registration statement (File 2-20937) with the SEC on December 6 seeking registration of 150,000 outstanding shares of common stock, to be offered for public sale by Walter H. Simson, president, through underwriters headed by Auchincloss, Parker & Redpath, Two Broadway, New York. The public offering price (maximum \$9 per share*) and underwriting terms are to be supplied by amendment.

The company specializes in the manufacture and sale of incandescent, fluorescent and mercury vapor lamps designed for commercial and industrial use. It also sells ballasts, sockets, starters, fixtures and allied products which it purchases from others. The company recently sold to underwriters for public distribution \$3,500,000 of 5½% debentures and warrants to purchase 210,000 common shares, and the \$3,342,500 net proceeds therefrom will be used for additional plant facilities and general corporate purposes, including expansion and development of business, the purchase and building of additional equipment and the development of new products. In addition to certain indebtedness and preferred stock, the company has outstanding 2,275,880 shares of common stock (after giving effect to a recent 7-for-1 stock split), of which Simson owns 615,770 shares (26.1%) and proposes to sell the 150,000 shares. Management officials as a group own 35.2% of the outstanding stock.

AMERICAN CAPITAL REGISTRATION CANCELLED. The SEC has issued an order under the Securities Exchange Act of 1934 cancelling the broker-dealer registration of American Capital Corporation (formerly Liberty Investment Company and American Securities Company), 1413 K Street, N. W., Washington, D. C. According to the order, in December 1961 a Federal court in Oklahoma issued an order temporarily restraining the firm and Robert I. Allen, Jules Arfield, and Max Schoenwald, former presidents and stockholders, from further violations of anti-fraud provisions of the Federal securities laws in the offer and sale of the common stock of Hydramotive Corporation (the court order is still in effect). Moreover, in June 1962 a receiver was appointed for the firm by a Federal court in the District of Columbia, and the firm is not engaged in business as a broker-dealer.

MUTUAL REAL ESTATE INVESTORS HEARING SCHEDULED. The Commission has scheduled a hearing for December 13, 1962, in the U. S. Post Office and Courthouse Building in Boston, in proceedings to determine whether an application for broker-dealer registration filed by Mutual Real Estate Investors, Inc., of New Haven, Conn., should be denied. The respondent consented to postponement of the effective date of its registration pending hearing and Commission decision on the question of denial. The proceedings are based upon alleged violations of the Federal securities laws in the offer and sale of securities of Lima Associates of Lima, Ohio, Jefferson Texas Company and Darien Motor Lodge.

THREE HEARINGS SCHEDULED. The Commission also has scheduled hearings, at the times and places indicated below, in proceedings to determine whether the broker-dealer registrations of the following should be revoked:

<u>Name</u>	<u>Place</u>	<u>Date</u>
Diversified Securities, Inc. (only insofar as it relates to Seymour J. Cassel)and		
Equity General Investment Corporation	Denver Regional Office	January 7, 1963
Equity General Investment Corporation	Denver Regional Office	January 8, 1963
Palombi Securities Co., Inc. New York, N. Y.	New York Regional Office	January 16, 1963

OVER

On May 26, 1961 the Commission ordered proceedings to determine whether Diversified Securities defrauded investors in the offer and sale of stock of Diversified Industries of Colorado, Inc., and such proceedings were consolidated with similar proceedings with respect to Equity General. All respondents in the matter of Diversified Securities, except Cassel have stipulated to the charges alleged in the order for proceedings, and Diversified Securities has consented to revocation of its broker-dealer registration. Accordingly, the hearing now scheduled for January 7th is for the purpose of taking evidence on the allegations as they relate to Cassel and Equity General. On November 20, 1962, the Commission ordered additional proceedings against Equity General to determine whether that firm and Lee A. Huey, former president, Cassell, president, Louis Wagner, former vice president, and certain salesmen, violated the anti-fraud, anti-manipulative and other provisions of the Federal securities laws in the offer and sale of the common stocks of Cemex of Arizona, Inc., Winterland, Inc., Shiprock Industries, Contract Electronics and Cryogenic Engineering Company. These charges will be the subject of the January 8th hearing. The proceedings with respect to Palombi Securities relate to staff charges that the firm and Edward R. Palombi engaged in business while insolvent and violated the Commission's net capital rule and financial reporting requirements.

GENESCO FILES FOR PREFERRED STOCK OFFERING. Genesco Inc., 111 Seventh Avenue, North, Nashville, Tenn., today filed a registration statement (File 2-20938) with the SEC seeking registration of 185,000 shares of cumulative convertible preferred stock (no par), to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York. The dividend rate, public offering price (maximum \$100 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 111,379 preferred shares, to be offered in exchange to holders of four series of outstanding cumulative preference stock, on a share for share basis.

The company and its subsidiaries are engaged principally in the manufacture of apparel and footwear for men, women and children, and the sale of these products through both wholesale and retail outlets. The net proceeds from the cash sale of new preferred stock will be used to retire outstanding notes in the aggregate amount of \$6,895,000, and the balance for working capital and to retire short-term bank notes as they mature. In addition to certain indebtedness and preferred stock, the company has outstanding 3,935,786 shares of common stock, of which management officials as a group own 9.71%. B. H. Willingham is president and W. M. Jarman is board chairman.

SECURITIES ACT REGISTRATIONS. Effective December 6: Chock Full O'Nuts Corp. (File 2-20838).
Effective December 7: Consolidated Bottling Co. (File 2-20875); Fabco Enterprises, Inc. (File 2-20721); Jackson's/Byrons Enterprises, Inc. (File 2-19932); Zipco Inc. (File 2-20755).
Withdrawn December 5: Barker Bros. Corp. (File 2-19945); Community Health Associates, Inc. (File 2-20894).
Withdrawn December 6: Transit Investments, Inc. (File 2-20505); Vending Components, Inc. (File 2-20150).

*As estimated for purposes of computing the registration fee.

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