

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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REGISTRATIONS OF TWO LOS ANGELES BROKERS REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7039) revoking the broker-dealer registrations of George H. Hildebrand, doing business as George H. Hildebrand & Co., 8230 Beverly Blvd., and its successor, Atlas Securities, Inc., 6505 Wilshire Blvd., both of Los Angeles, and expelling the latter from membership in the National Association of Securities Dealers, Inc. George H. Hildebrand, president and sole stockholder of Atlas, and Murray J. Ross, secretary-treasurer, were each found a cause of the revocation and expulsion order.

According to the decision, Hildebrand has been registered as a broker-dealer since 1957; and Atlas became registered in November 1958 as successor to Hildebrand's business. Ross was registered as a broker-dealer during 1957-58, and was president of M. S. Ross & Co., Inc. (in which Hildebrand was also an officer and principal stockholder), which was also registered during 1957-58. In 1959, with the consent of Hildebrand and Atlas, the Commission temporarily suspending their broker-dealer registrations, and thereafter Hildebrand, Atlas and Ross consented to revocations of the registrations and to the naming of Hildebrand and Ross as causes thereof. The Commission found that between 1957 and 1960, Hildebrand, Atlas and Ross (and M. J. Ross & Co.) violated the anti-fraud provisions of the Federal securities laws in that they (1) sold various securities at prices not reasonably related to market prices (with mark-ups over contemporaneous costs generally ranging from 6.3% to 15.2% but in two instances amounting to 62.5% and 70%) and engaged in securities transactions while insolvent (without disclosing that fact), and (2) made false and misleading statements of material facts in the offer and sale of stock of Aetna Corporation and Continental Commercial Corporation. The Commission also found violations of the Securities Act registration requirements, the credit restrictions of Regulation T, and the Commission's net capital and recordkeeping rules.

JACKSON-COMMERCE REALTY RECEIVES ORDER. The SEC has issued an order under the Securities Exchange Act of 1934 exempting Jackson-Commerce Realty Company, a New York limited partnership, from the duty to file annual and other periodic reports as required thereunder. According to the order, the partnership has outstanding 580 limited partnership interests all but one of which are owned by Furman-Wolfson Corporation. The interests were acquired by Furman-Wolfson pursuant to an exchange offer in which its shares were issued under a Securities Act registration statement; and, as a result, the partnership's securities are now owned by only two holders. Furman-Wolfson is subject to the reporting requirements of the Exchange Act and, according to the order, will include in its reports appropriate financial statements of the partnership as a subsidiary.

SIX DELISTINGS APPROVED. The SEC has granted applications of the Salt Lake Stock Exchange to delist the common stocks of Victor Consolidated Mining Company, Mountain View Mining Company, Nalldriver Mining Company, Big Hill Mining Company, West Toledo Mines Company, and Swansea Consolidated Mining Company, all effective at the close of business on March 25, 1963. (Release 34-7041)

MIDDLE SOUTH UTILITIES SEEKS ORDER. Middle South Utilities, New York registered holding company, together with its electric subsidiary companies, Mississippi Power & Light Company, a Florida company, and a newly organized Mississippi company, Mississippi Power & Light Company, have applied to the SEC for an order under the Holding Company Act with respect to the proposed merger of the Florida subsidiary into the Mississippi subsidiary (organized in January 1963 for such purpose); and the Commission has issued an order (Release 35-14833) giving interested persons until April 19, 1963 to request a hearing thereon. The Florida subsidiary is engaged in the business of supplying electric service in Mississippi and all of the properties owned and operated by it are located in Mississippi. The Florida subsidiary desires to change its corporate domicile from Florida to Mississippi and to effectuate such change proposes to merge with the Mississippi subsidiary.

CONSOLIDATED NATURAL GAS PROPOSES DEBENTURE OFFERING. Consolidated Natural Gas Company, New York registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing its sale at competitive bidding of \$35,000,000 of debentures due 1988; and the Commission has issued an order (Release 35-14834) giving interested persons until April 12, 1963 to request a hearing thereon. Of the net proceeds from the debenture sale, \$10,000,000 will be used to pay outstanding short-term notes due banks which were issued to finance construction costs; and the balance will be used to finance, in part, the 1963 construction program of the company's subsidiaries (estimated at \$78,000,000).

COMPLAINT CITES SIMPLIFIED TAX RECORDS, INC. The SEC Boston Regional Office announced March 18 (LR-2553) the filing of court action (USDC, Concord, N.H.) seeking to enjoin Simplified Tax Records, Inc., of New York City, M. Stanley Metz, its president (Swampscott, Mass.), and Leo C. Pyne, an independent distributor of Simplified (of West Medford, Mass.), from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of common stock of Simplified.

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COMPLAINT CITES COSMETICS INVESTMENTS, ET AL. The SEC New York Regional Office announced March 19 (LR-2554) the filing of court action (USDC, Newark) seeking to enjoin Cosmetics Investments (Newark, N.J.), its three partners, Peter J. Dowd (Livingston, N.J.), Kenneth Archibald McKay (East Orange, N.J.), and Henry Baird Ruiz (Livingston, N.J.); Herbert S. Winson (Newark), president of Lord Adam/Lady Eve Products, Inc.; and Eliot, Roberts & Co., a Newark broker-dealer, and its president, Robert E. Shafarman (West Orange, N.J.), from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of Class A common stock of Lord Adam/Lady Eve Products, Inc. The Commission further seeks to enjoin Dowd, McKay and Ruiz from further violations of the Exchange Act broker-dealer registration provisions.

THREE SENTENCED IN FIRST DISCOUNT CASE. The SEC New York Regional Office announced March 20 (LR-2555) that Arthur Katz (White Plains, N.Y.), president of First Discount Corporation, was sentenced (USDC, SDNY) to two years in prison and fined \$10,000, and Leo Sinsheimer (New York City) treasurer, to one year and one day plus a \$10,000 fine, following their guilty pleas to charges of transporting and conspiring to transport in interstate commerce securities which were converted and obtained by fraud. In addition, David Siegel (Pearl River, N.Y.), cashier of First Discount, was sentenced to six months in prison and fined \$2,500 following his plea of guilty to similar charges. A trial date will be set by the Court on March 29 for two remaining defendants in the case.

TALON FILES STOCK PLAN. Talon, Inc., 626 Arch Street, Meadville, Pa., filed a registration statement (File 2-21184) with the SEC on March 21 seeking registration of 128,820 shares of common stock, offered or to be offered pursuant to its Stock Option Plan.

ROBERTS CO. FILES FOR OFFERING AND SECONDARY. The Roberts Co., 600 North Baldwin Park Blvd., City of Industry, Calif., filed a registration statement (File 2-21185) with the SEC on March 21 seeking registration of 130,000 shares of common stock, of which 70,000 shares are to be offered for public sale by the company and 60,000 shares, being outstanding stock, by the holders thereof. Reynolds & Co., Inc., 120 Broadway, New York, and Lester, Ryons & Co., 623 South Hope St., Los Angeles, head the list of underwriters. The public offering price (maximum \$11 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of products used in the installation of wall-to-wall carpeting, specialized industrial adhesives, metal folding doors and weatherproofing products. Of the net proceeds from the company's sale of additional stock, \$410,000 will be used to repay a short term bank loan made to finance the company's acquisition in 1963 of a majority interest in Bechtold Engineering Company, of Florida; \$100,000 to repay a short term bank loan made in 1963 for current working capital; and the balance for working capital. In addition to certain indebtedness, the company has outstanding 130,871 common and 396,969 Class B common shares, of which Charles E. Hopping, board chairman, Hugh S. Livie, president, and Kenneth M. Bishop, senior vice president, each owns 15.3% of the common and 33.3% of the Class B shares. They propose to sell 20,000 common shares each (all such shares owned). Wallace F. and Adele R. Taylor own 14.8% of the outstanding common shares.

HEWLETT-PACKARD FILES STOCK PLAN. Hewlett-Packard Company, 1501 Page Mill Road, Palo Alto, Calif., filed a registration statement (File 2-21186) with the SEC on March 21 seeking registration of (1) \$3,112,500 of interests in its Employee Stock Purchase Plan and 200,000 common shares which may be acquired pursuant thereto, and (2) 160,000 common shares to be offered pursuant to its 1963 Incentive Stock Option Plan.

INTERSTATE POWER FILES FINANCING PLAN. Interstate Power Company, 1000 Main St., Dubuque, Iowa, filed registration statements (Files 2-21187 and 2-21188) with the SEC on March 21 seeking registration of (1) \$6,000,000 of first mortgage bonds due 1993, to be offered for public sale at competitive bidding, and (2) 154,194 shares of common stock. It is proposed to offer 132,294 of such shares for subscription by common stockholders at the rate of one new share for each 26 shares held on May 22, 1963 (the remaining 21,900 shares to be issued pursuant to the subscription offer to holders of shares not evenly divisible by 26 or are less than 26). The subscription price (maximum \$24 per share*) is to be supplied by amendment. Unsubscribed shares are to be offered for public sale at competitive bidding.

The company is engaged as a public utility principally in the generation, purchase, transmission, sale and distribution of electricity in portions of Iowa, Minnesota, Illinois and South Dakota. The \$8,727,151 estimated net proceeds from this financing will be used to discharge \$5,350,000 of notes to banks incurred in 1962 to pay a portion of the company's construction costs, and towards payment of the \$10,942,000 construction program for 1963. In addition to various indebtedness and preferred stock, the company has outstanding 3,439,666 shares of common stock. M. L. Kapp is president.

INTER-MOUNTAIN TELEPHONE PROPOSES RIGHTS OFFERING. Inter-Mountain Telephone Company, Sixth & Crumley Streets, Bristol, Tenn., filed a registration statement (File 2-21189) with the SEC on March 21 seeking registration of 266,000 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one new share for each seven shares held of record on April 5, 1963. The offering will be underwritten by a group of underwriters headed by Courts & Co., 11 Marietta St., N.W., Atlanta, Ga. as to 146,228 shares. The subscription price (maximum \$20 per share*) and underwriting terms (as to the 146,228 shares) are to be supplied by amendment. As indicated below, two stockholders intend to subscribe for the remaining 119,772 shares.

The company is engaged in the business of furnishing communication services, mainly local and toll telephone service, in certain counties of Virginia and Tennessee. The net proceeds from the stock sale will be used to repay an outstanding short-term bank note incurred for general corporate purposes, and the balance will be used for general corporate purposes, including extensions, additions and improvements to

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telephone plant. In addition to various indebtedness and preferred stock, the company has outstanding 1,862,000 shares of common stock, of which Southern Bell Telephone and Telegraph Company (Atlanta), and The Chesapeake and Potomac Telephone Company of Virginia (Washington, D.C.) own 32.8% and 12.2%, respectively. Kelley McNish is president. According to the prospectus, said two stockholder companies have informed the company that they intend to subscribe for their respective portions of an aggregate of 119,772 shares which will be offered to them (the offering of the remaining 146,228 shares being underwritten).

AVCO CORP. FILES STOCK PLAN. Avco Corporation, 750 Third Avenue, New York, filed a registration statement (File 2-21190) with the SEC on March 21 seeking registration of 350,000 shares of common stock, to be offered pursuant to its Stock Option Plan.

KENTUCKY CENTRAL LIFE FILES FOR STOCK OFFERING. Kentucky Central Life Insurance Company, Anchorage, Ky., filed a registration statement (File 2-21191) with the SEC on March 21 seeking registration of 500,000 shares of Class A non-voting common stock, to be offered for public sale through underwriters headed by Stifel, Nicolaus & Company, Inc., 314 North Broadway, St. Louis, Mo., and two other firms. The public offering price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of writing ordinary life insurance, monthly debit life insurance, industrial life insurance, industrial health and accident insurance, monthly debit health and accident insurance, group life insurance, credit life insurance and, through a wholly owned subsidiary, fire insurance. The net proceeds from the stock sale will be invested in accordance with the company's investment policy. In addition to 118,138 common shares, the company has outstanding 1,454,889 Class A non-voting common shares, of which G. D. Kincaid, president, owns 24.73% of the common. Management officials as a group own 27.36% of the common and 2.46% of the Class A common shares.

DELTA MANAGEMENT FILES FOR OFFERING. Delta Management Corporation, 33 Broad St., Boston, depositor for Technical Fund Investment Plans, filed a registration statement (File 2-21192) with the SEC on March 19 seeking registration of \$1,000,000 of Fully Paid Plans and \$2,000,000 of Systematic Plans and Systematic Plans with Insurance, to be offered for the accumulation of shares of The Technical Fund, Inc.

PACIFIC NORTHWEST BELL PROPOSES DEBENTURE OFFERING. Pacific Northwest Bell Telephone Company, 1200 Third Avenue, Seattle, Wash., today filed a registration statement (File 2-21193) with the SEC seeking registration of \$50,000,000 of debentures due 2003, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to further reduce the principal amount of the 4½% demand note of the company held by The Pacific Telephone and Telegraph Company. Such note (in the amount of \$200,000,000) was issued by the company, together with 30,450,000 common shares, to Pacific T & T in 1961 in exchange for the business and properties of Pacific T & T in Washington, Oregon and Idaho. American Telephone and Telegraph Company owns 90.2% of Pacific T & T, and 51% of the common stock of the company (Pacific T & T owning 42.7% of the company).

MIRRO ALUMINUM FILES STOCK PLANS. Mirro Aluminum Company, 1512 Washington St., Manitowoc, Wisc., filed a registration statement (File 2-21194) with the SEC on March 21 seeking registration of 77,850 shares of common stock, to be offered pursuant to its Incentive Stock Option Plans of 1954 and 1961.

SECURITIES ACT REGISTRATIONS. Effective March 21: General Telephone & Electronics Corp. (File 2-21123); L. S. Starrett Co. (File 2-20947). Withdrawn March 20: D. C. Transit System, Inc. (Delaware) (File 2-20323); Eastern Camera & Photo Corp. (File 2-20074).

*As estimated for purposes of computing the registration fee.

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