

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



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FOR RELEASE April 26, 1965

ARCHIE CHEVRIER EXPELLED. The SEC today announced a decision under the Securities Exchange Act (Release 65-7579) expelling Archie H. Chevrier from membership in the San Francisco Mining Exchange and revoking his broker-dealer registration for manipulating the market price of a stock on that Exchange. Chevrier did not contest the charges.

Chevrier's activities involved the stock of Industrial Enterprises, Inc., and its predecessor, Best & Richer Gold and Silver Mining Co. ("B & B"). The shares of B & B, whose only basic asset consisted of a claim to a dormant mine, were listed on the Exchange. Chevrier and James W. Brewer in October 1961 determined to form a new corporation, Industrial Enterprises, into which B & B would be merged, which merger was effected on December 11, 1961. Industrial Enterprises had no assets and, like B & B, was insolvent. Its stock was admitted to trading on the Exchange in substitution for the B & B stock.

On December 28, 1961, Industrial Enterprises issued an additional 750,000 shares in connection with its acquisition of Caloric Foods, Inc., which allegedly had a process for reducing the caloric content of foods. In this stock, 150,000 shares were issued to Caloric in exchange for a like number of its shares; Chevrier received 185,000 shares in consideration of promotional services; and the balance was issued to Brewer and others. Caloric's assets were of "dubious value," the Commission stated.

According to the Commission's decision, prior to October 1961 the stock of B & B was traded in limited amounts at prices of 14¢ and 17¢ per share. Trading picked up and the price increased sharply in October, from 25¢ to \$1.30 per share. Trading continued to be active in subsequent months, and the price reached \$1.65 in November, \$1.75 in December, \$1.90 in January, and \$2.25 in February. Chevrier "dominated" the market in the shares. The Exchange had approved the Industrial Enterprises application for listing of the 10,000 additional shares on January 30, 1962, but this approval was rescinded on February 6, 1962. Beginning March 6, 1962, the Commission issued a series of orders summarily suspending trading in the stock.

The Commission concluded: ". . . it is clear that Chevrier engaged in a manipulative course of conduct which raised the price of the stock from 19¢ to \$2.25 per share for the purpose of inducing the purchase of such stock by others at the inflated prices." His conduct was said to have "constituted a course of business which operated as a fraud and deceit" upon various persons in violation of Section 17(a) of the Securities Exchange Act and Rule 10b-5 under the Securities Exchange Act.

F. R. BURNS & CO., OTHERS ENJOINED. The SEC Fort Worth Regional Office announced April 15 (LR-3201) the entry of a Federal court order (USDC WD Okla.) permanently enjoining F. R. Burns & Co., Floyd R. Burns and Thomas E. Summers, all of Oklahoma City, from further violating the net capital and bookkeeping provisions of the Securities Exchange Act, and Regulation T promulgated by the Board of Governors of the Federal Reserve System.

HEDGES SENTENCED. The SEC Fort Worth Regional Office announced April 19 (LR-3202) that George Hedges, Jr., received a 3-year prison sentence (USDC Wichita), following his plea of guilty to an indictment charging violations of the Securities Act registration and anti-fraud provisions in the sale of interests in oil and gas leases located in Kansas.

IRVING ZAHLER ENJOINED. The SEC New York Regional Office announced April 21 (LR-3203) the entry of a Federal court order (USDC SDNY), by default, permanently enjoining Irving Zahler, d/b/a Staaten Investors Co., New York, from further violations of the anti-fraud and bookkeeping provisions of the Securities Exchange Act. Moses Polakoff, Esq., of New York, was appointed as receiver of the assets.

ROBERT A. MCKEE, OTHERS SENTENCED. The SEC Atlanta Regional Office announced April 16 (LR-3204) that Robert A. McKee of Ft. Lauderdale, Fla., received a 33-month prison sentence (USDC SD Fla.), following his conviction under an indictment charging violations of the anti-fraud provisions of the Securities Act and the conspiracy statute. Steven L. Ruskin, a Miami attorney, was placed on three years' probation and fined \$500 on his conviction of conspiring with McKee and others to violate these laws. Lawrence J. Dissette of Ft. Lauderdale and Paul E. Gardner of St. Petersburg, who had pleaded guilty to violating the anti-fraud provisions of the Securities Exchange Act, were each fined \$500.

MURCH PLEADS GUILTY. The SEC Seattle Regional Office announced April 20 (LR-3205) that John A. Murch of Edmonds, Wash., entered a plea of guilty (USDC WD Wash.) to two counts of an indictment charging him with violations of the anti-fraud provisions of the Federal securities laws in the sale of securities. Murch's bail was set at \$2,500, with sentencing scheduled for May 3.

EINIGER INDICTED. The SEC New York Regional Office announced April 20 (LR-3206) the return of a 4-count indictment by a Grand Jury (USDC SDNY) charging Jack Einiger, former cashier and salesman at Broadwall Securities, Inc., with perjury before a Federal Grand Jury investigating possible violations of the registration and anti-fraud provisions of the Federal securities laws by Broadwall Securities.

OVER

JAY BURRUP AND JOHN BURRUP CONVICTED. The SEC Denver Regional Office announced April 20 (LR-3207) that Jay Melvin Burrup of Scottsdale, Ariz., and John Richard Burrup of Idaho Falls, Ida., were found guilty (USDC Wyoming) of violating and conspiring to violate the Securities Act anti-fraud provisions in the sale, through American Brokerage Co., of Option certificates that had been issued to the defendants by Pacific Atlantic Life Insurance Co. of Cheyenne, Wyo., at a time when they were associated with that company. (The insurance company was not involved in any of the charges.)

WALDMAN, ROSE CO., OTHERS CITED. The SEC New York Regional Office announced April 21 (LR-3208) the filing of a complaint (USDC SDNY) seeking to enjoin Waldman, Rose & Co., New York registered broker-dealer, Seymour Waldman (partner), Valley Stream, N.Y.; Elliot Rose (a former partner), Forest Hills, N.Y.; and five of the company's securities salesmen from further violations of the anti-fraud provisions of the Federal securities laws in the sale of the common stocks of Development Corporation of America and United Utilities Corp. of Florida. The five securities salesmen are Bernard Portnoy, East Meadow, N. Y.; Julius Gladstein, Brooklyn, N. Y.; Reubin Ehrlich, Bronx, N. Y.; Martin A. Fleishman, Brooklyn, N. Y.; and Louis Pilnick, Metuchen, N. J. A temporary restraining order was issued against the defendants.

CONTINENTAL VENDING TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, April 27 to May 6, 1965, inclusive.

DECATUR INCOME AND DELAWARE FUND RECEIVE ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4231) authorizing Delaware Fund, Inc., to acquire 14,000 shares of Pan American Sulphur Corporation from Decatur Income Fund, Inc.

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15226) authorizing The Columbia Gas System, Inc., to acquire some \$62,650,000 of installment notes from 15 of its wholly-owned subsidiaries through March 1966, to purchase \$5,300,000 of additional common stock from three subsidiaries, and to make open-account advances aggregating \$80,000,000 during 1965 to five subsidiaries. The subsidiaries will apply the proceeds from the note and stock sales to their construction programs, estimated to aggregate \$114,000,000. The funds to be advanced to five subsidiaries will be used to finance their purchase of inventory gas during 1965.

COLUMBIA GAS RECEIVES ORDER. The Columbia Gas System, Inc., 120 E. 41st St., New York, has applied to the SEC for an order under the Holding Company Act authorizing it to acquire all of the common stock of Blue Ridge Gas Company, a Virginia nonassociate gas utility company. The Commission has issued an order (Release 35-15227) giving interested persons until May 21 to request a hearing thereon. According to the application, Columbia proposes to acquire all of Blue Ridge's 300,000 common shares in exchange for 30,000 of its common shares.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-7585) granting applications (1) of the Boston Stock Exchange for unlisted trading privileges in the common stock of Trans World Airlines, Inc., and (2) of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of American Enka Corporation and Penn Fruit Co., Inc.

ELDER MANUFACTURING DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7585) granting an application of the Midwest Stock Exchange to strike from listing and registration the common stock of Elder Manufacturing Company, effective at the opening of business on May 3. According to the application, the company does not meet the standards of said Exchange in respect of the number of stockholders for continued listing.

BROWN CO. FILES STOCK PLANS. Brown Company, Berlin, N. H., filed a registration statement (File 2-23508) with the SEC on April 22 seeking registration of 202,742 shares of common stock, to be offered under the company's 1955 Executive Stock Option Plan and 1965 Qualified Stock Option Plan.

GENESCO FILES STOCK PLAN. Genesco Inc., 111 Seventh Ave., North, Nashville 3, Tenn., filed a registration statement (File 2-23510) with the SEC on April 22 seeking registration of 150,000 shares of common stock, to be offered under its Savings Fund--Employee Stock Purchase Plan (1965).

EVERSHARP FILES STOCK PLAN. Eversharp, Inc., Webster Rd., Milford, Conn., filed a registration statement (File 2-23511) with the SEC on April 21 seeking registration of 80,000 shares of common stock, to be offered under its Employees' 1962 Stock Option Plan.

AMERICAN METAL PROPOSES STOCK PLAN. American Metal Products Company, 5930 Vancouver Ave., Detroit, Mich. 48204, filed a registration statement (File 2-23512) with the SEC on April 22 seeking registration of 100,000 shares of common stock, to be offered pursuant to its Employees' Qualified Stock Option Plan.

MCDERMOTT & CO. FILES STOCK PLAN. J. Ray McDermott & Co., Inc., Houston Club Bldg., Houston, Tex. 77002, filed a registration (File 2-23513) with the SEC on April 22 seeking registration of 150,000 shares of common stock, to be offered under the company's Stock Option Plan.

SHELL OIL FILES STOCK PLANS. Shell Oil Company, 50 W. 50th St., New York 10020, filed a registration statement (File 2-23515) with the SEC on April 23 seeking registration of 300,000 shares of common stock, to be offered under its 1965 Incentive Stock Option Plan.

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SIERRA PACIFIC POWER FILES STOCK PLAN. Sierra Pacific Power Company, 220 S. Virginia St., Reno, Nev. 89505, filed a registration statement (File 2-23516) with the SEC on April 23 seeking registration of 200,000 shares of common stock, to be offered under the company's Employee Stock Purchase Plan.

PACIFIC TEL & TEL FILES FINANCING PROPOSAL. Pacific Telephone and Telegraph Company, 140 New Montgomery St., San Francisco, Calif. 94105, filed registration statements with the SEC on April 23, as follows: File 2-23517, covering a proposed public offering of \$125,000,000 of Thirty-Five Year Debentures due 2000, to be offered for public sale at competitive bidding; and File 2-23518, covering the proposed rights offering of 10,045,176 shares to stockholders of record May 27th, at the rate of one new share for each 11 common shares held, and 7 new shares for each 11 preferred shares held. The subscription price will be \$20 per share; and the stock offering is not underwritten. American Telephone and Telegraph Company, which owns some 90% of the company's outstanding common and 78% of its preferred, expects to subscribe for 9,002,621 shares in exercise of its subscription rights.

Net proceeds of the financing will be applied to the repayment of advances from A T & T for property additions and improvements and other corporate purposes.

WARE & CO. REGISTRATION REVOKED. In a decision under the Securities Exchange Act announced today (Release 34-7583), the SEC revoked the broker-dealer registration of William A. Ware, doing business as Ware & Company, Dallas, Texas, for violations of the record-keeping and anti-manipulative provisions of the Securities Exchange Act. The order also expelled Ware from membership in the National Association of Securities Dealers, Inc., and barred him from being associated with any broker-dealer firm.

Pursuant to a stipulation and consent filed by Ware, the Commission found that during December 1, 1962 through July 31, 1964, in the offer and sale of stock of Paramount Mining and Development Corporation, Ware effected sales to customers purportedly as agent when in fact he was selling for his own account; delivered confirmations to customers which misrepresented the capacity in which he was acting; realized secret profits; and misrepresented to customers the facts concerning his investment in Paramount.

SUNRISE CAPITAL CORP. REVOKED. The SEC today announced a decision (Release 34-7584) revoking the broker-dealer registration of The Sunrise Capital Corporation, Jackson Heights, N. Y., for failure to file a 1961 financial report. Registrant consented to the order.

REGISTRATIONS BY O/C COMPANIES. The following companies, which during past years have filed annual and other periodic reports with the Commission, have filed registration statements with the SEC pursuant to requirements of the new Section 12(g) of the Securities Exchange Act applicable to certain issuers of securities traded over-the-counter:

AMT Corp., Troy, Mich. (File O-222); Acme Industries, Inc., Jackson, Mich. (File O-242); Addison-Wesley Publishing Co., Inc., Reading, Mass. (File O-248); American Electronic Laboratories, Inc., Lansdale, Pa., (File O-230); American Hydrocarbon Corp., New Orleans, La., (File O-212); American Pipe & Construction Co., Monterey Park, Calif., (File O-218); American Urethane, Inc., City of Commerce, Calif., (File O-216); Anchor Corp., Elizabeth, N.J. (File O-215); Avery Products Corp., San Marino, Calif. (File O-225); Bassett Furniture Industries, Inc., Bassett, Va. (File O-209); Champion Parts Rebuilders, Inc., Chicago, Ill. (File O-227); J. L. Clark Mfg., Co., Rockford, Ill. (File O-213); Columbus Plastic Products, Inc., Columbus, Ohio (File O-240); Commonwealth Realty Trust, Philadelphia, Pa. (File O-228); Consolidated Water Co., Chicago, Ill. (File O-202); Dow, Jones & Co., Inc., New York, N.Y. (File O-246); First Union Realty, Cleveland, Ohio (File O-206); General Atronics Corp., Philadelphia, Pa. (File O-244); Gould Properties, Inc., New York, N.Y. (File O-249); Hitco, Gardena, Calif. (File O-208); Andrew Jergens Co., Cincinnati, Ohio (File O-217); Lone Star Brewing Co., San Antonio, Tex. (File O-223); Mayfair Industries, Inc., Lafayette, La. (File O-219); Merchants Acceptance Corp., Worcester, Mass. (File O-201); Mobile Gas Service Corp., Mobile, Ala. (File O-234); Pacific Airmotive Corp., Burbank, Calif. (File O-241); Revell, Inc., Venice, Calif. (File O-214); Riverside Financial Corp., Banning, Calif. (File O-203); Roberts Co., Sanford, N. C. (File O-226); Rowe Furniture Corp., Salem, Va. (File O-232); Scott & Fetzer Co., Cleveland, Ohio. (File O-231); Southern Frontier Finance Co., Raleigh, N. C. (File O-204); Stuart Hall Co., Inc. Kansas City, Mo. (File O-237); Sunset House Distributing Corp., Los Angeles, Calif. (File O-220); Tokheim Corp., Fort Wayne, Indiana, (File O-238); United States Envelope Co., Springfield, Mass. (File O-235); Universal Drilling Co., Inc., New Orleans, La. (File O-221); Vance, Sanders & Co., Inc., Boston, Mass. (File O-229); Van Waters & Rodgers, Inc., San Francisco, Calif., (File O-224); Vernors, Inc., Detroit, Mich., (File O-247); Lee Wilson Engineering Co., Inc., Rocky River, Ohio, (File O-243).

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. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the April 1 News Digest.

Marquardt Corp Mar 65 (11,12,13)	1-4246-2	FMM Co Inc Dec 64 (11,13)	1-4880-2
Brunswick Corp Mar 65 (13)	1-1043-2	Genl Tel Co of Calif Mar 65 (7)	2-1535-2
Milgray Electronics Inc Dec 64 (11)	2-18979-2	Kane-Miller Corp Mar 65 (3,13)	1-5014-2
Star Industries Inc Amend #1 to 8K for Nov 64 (8)	1-4578-2	Brown-McLaren Mfg Co Mar 65 (7)	1-3026-2
Genl Economics Syndicate Inc Dec 64 (1,3,4)	2-20231-2	H R Weissberg Corp Mar 65 (7)	2-17248-2
Crowleys Milk Co Inc Apr 64 (11,13)	2-15572-2	Empire Life Ins Co Mar 65 (7,9)	2-20749-2
Kilembe Copper Cobalt Ltd Apr 65 (11,13)	1-4268-2	Mohawk Airlines Inc Feb 65 (2,8,12)	1-4198-2
Manpower Inc Mar 65 (12)	2-15545-2	Warner Elec Brake & Clutch Co Mar 65 (7)	2-16764-2
Amico Properties Mar 65 (11)	2-21986-2	Koehring Co Mar 65 (7,8)	1-4906-2
Soroban Engineering Inc Mar 65 (4,13)	0-84-2	Dymo Industries Inc Amend #1 to 8K for Oct 64 (7)	1-4832-2
United Utilities Inc Jan 65 (11,13)	1-4721-2	Pathe Industries Inc Amend #3 to 10K for 12-31-62	2-11211-2
Yale Express System Inc Mar 65 (1,2,3,6,9,13)	1-4638-2	Jim Walter Corp Amend #1 to 8K for Feb 65 (12)	1-4868-2
Amer Pipe & Constr Co Mar 65 (3,11)	0-218-2	Mid-America Pipeline Co Amend #1 to 8K for Apr 65 (7)	2-16138-2
Behlen Mfg Co Mar 65 (12,13)	2-15826-2	Allied Artists Pictures Corp Jan 65 (7,13)	1-2965-2
Insurance Capital Inc Mar 65 (4,11)	2-21820-2	Beneficial Finance Co Mar 65 (12,13)	1-1177-2
Tecumseh Investment Co Inc Mar 65 (7)	2-21029-2	Pathe Industries Inc Mar 65 (3,12)	2-11211-2
Avnet Inc Apr 65 (2,4,7,13)	1-4224-2	Diana Stores Corp Apr 65 (7,13)	1-3214-2
Goodyear Tire & Rubber Co Apr 65 (11,13)	1-1927-2	Otter Tail Power Co Apr 65 (11)	2-2238-2
American Land Co May 64 (2,13)	2-15927-2	Greer Hydraulics Inc Apr 65 (11,12)	1-3706-2
Kratter Corp Mar 65 (2,4,8,12,13)	1-4282-2	Diebold Inc Apr 65 (11,12,13)	1-4879-2
New Hampshire Ins Co Mar May & Dec 60, Mar & May 61, Mar & Apr 62, Mar 63, Mar & May 64, & Mar 65 (2,7,11,13) (1 Rept)	2-8837-2	Eaydon Switch & Instrument Inc Mar 65 (1,2,3,11,13)	2-18950-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 22, 1965, 29 registration statements were filed, 48 became effective, 1 was withdrawn, and 354 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective April 26: Dickson Electronics Corp., 2-23266 (July 25); Greatamerica Corp., 2-23345 (June 6); International Business Machines Corp. (File 2-23470); Pantepec International Petroleum, Ltd., 2-22861 (40 days); Quaker State Oil Refining Corp., (File 2-23428); Wards Co., Inc., 2-23334 (June 7).

NOTE TO DEALERS. The last date or the period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.