

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 65-11-4)

FOR RELEASE November 4, 1965

SEC ORDER CITES WALDMAN & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Waldman & Co. (formerly Waldman, Rose & Company), of 27 William Street, New York, N. Y. The said firm is a member of the National Association of Securities Dealers, Inc. Also named as respondents are Seymour Waldman, a partner, and Elliot Rose, a partner until March 1965, as well as the following present or former salesmen of the firm: Bernard Portnoy, Frank Engelman, Julius Gladstein, Samuel Lewis, Stuart Davis, Louis Pilnick, Reubin Ehrlich, Martin A. Fleishman, Norman B. Babat, Norman Pollisky, Aaron J. Gabriel and Allan Harris.

The proceedings are based upon staff charges that since January 1964 the Waldman firm and the individual respondents engaged in acts and practices violative of the anti-fraud and anti-manipulative provisions of the Federal securities laws. The activities complained of relate to the respondents' offer and sale of the common stocks of Development Corporation of America and United Utilities Corp. of Florida. In May 1965 a Federal court order was entered against the Waldman firm and respondents Waldman, Rose, Portnoy, Gladstein, Pilnick, Ehrlich and Fleishman, preliminarily enjoining their offering and sale of stock of the two companies in violation of the said provisions of law.

The Commission has scheduled a hearing for November 22, 1965, in its New York Regional Office to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether administrative action of a remedial nature should be ordered by the Commission. The hearing will first concern itself with the question whether the Waldman firm's broker-dealer registration should be suspended pending resolution of the other issues in the proceedings.

GRACE OVERSEAS DEVELOPMENT SEEKS ORDER. W. R. Grace Overseas Development Corporation, New York, has applied to the SEC for exemption from all provisions of the Investment Company Act; and the Commission has issued an order (Release IC-4397) giving interested persons until November 15 to request a hearing thereon. The said Development Corporation was organized under Delaware law in September 1965 by W. R. Grace & Company, which is a chemical-manufacturing, petroleum-producing and international industrial concern with transportation interests. Grace will purchase for \$8,000,000 all of the 1,000 shares of common stock of the Development Corporation, which was organized to finance the expansion and development of Grace's foreign operations in a manner designed to assist in improving the balance of payments position of the United States. The Development Corporation intends to issue and sell \$20,000,000 of debentures, due 1980, guaranteed by Grace as to principal, sinking fund and interest payments. The debentures will be sold to underwriters for offering outside the United States, and will be delivered to the underwriters against receipt of payment therefor outside the United States. Funds of the Development Corporation will be invested in or loaned to foreign subsidiaries and affiliates of Grace and at least 90% of such assets will be invested in or loaned to foreign companies which are or will immediately become majority-owned subsidiaries of Grace and which are primarily engaged in businesses other than that of an investment company.

BOYNE PRODUCTS FILES FOR SECONDARY. Boyne Products, Inc., 1490 Holden Ave., Detroit, Mich., filed a registration statement (File 2-24187) with the SEC on November 3 seeking registration of 200,000 outstanding shares of common stock. The present holders thereof proposes to offer the stock for public sale through underwriters headed by Watling, Lerchen & Co., Ford Bldg., Detroit, Mich. 48226. The public offering price (\$16 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and distributes electrical switch assemblies, electro-mechanical assemblies and related devices which are sold principally to the automobile industry. Effective August 31, 1965, Boyne Management Corp. and Don R. Ford Associates, Inc., previously affiliated with the company, were merged into the company. In addition to indebtedness, the company has outstanding 600,000 common shares. The selling stockholders are Donald R. Ford (president), offering 100,000 of 300,000 shares held; Claude R. Brooks (treasurer), 25,000 of 41,200; and Charles R. Brooks, 75,000 of 132,000. Claude R. and Charles R. Brooks, as tenants with right of survivorship, own the balance of the outstanding shares.

BELOCK TRADING BAN TO BE LIFTED. The SEC announced that it would not renew its current order suspending exchange and over-the-counter trading in securities of Belock Instrument Corporation (Long Island, New York), which suspension will expire at the close of business on November 8, 1965. The securities subject to the trading suspension are the common stock and series A and B 6% convertible subordinated debentures (due 1975) of Belock. In addition, the American Stock Exchange, where Belock common stock and series A debentures are listed, has advised the Commission that it will not continue its own suspension of trading. Accordingly, trading in all of the above securities of the company may be resumed on November 9.

In its June 22, 1965 announcement of the suspension of trading, the Commission noted that on the basis of information thus far developed there appeared to have been substantial overcharges in certain government contracts which would have a material adverse effect on the financial condition of the company as well as on its published prior earnings report.

The company stated in its Form 8-K report for August 1965 filed with the Commission that three officials of the company had been indicted by a Federal grand jury for submitting and conspiring to submit false,

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fictitious and fraudulent claims to the U. S. Department of Defense. The indictment, filed August 18, 1965, in United States District Court for the Eastern District of New York against Walter V. Tyminski, president of the company; Jacob Silverstein, vice-president and controller; and Martin Joseph Levy, vice president in charge of operations, alleges that the fraudulent claims were made during 1964 and the first three months of 1965 with respect to labor, overhead, and general administrative expenses in connection with certain contracts Belock had with the United States Government. The aggregate amount of the claims, it is alleged, was \$1,098,404.22. The defendants are no longer officers of the company.

On October 25, 1965, Belock filed with the Commission a consolidated balance sheet as of June 30, 1965, and a consolidated statement of income (loss) and a retained earnings (deficit) for the eight months ended June 30, 1965. These financial statements, which also are being mailed to stock and debenture holders, showed among other things, a net loss for the eight month period amounting to \$1,884,750 after a provision for contingencies of \$1,350,000. This provision consisted principally of the amount set forth in the indictment and certain expenses incurred or expected to be incurred in connection with the company's liability to the United States Government. The financial statements indicate that the total provision for contingencies was charged by the company to its operations for the eight months ended June 30, 1965 because of its inability to determine the portion of the provision which relates to the prior period and should be a charge to earnings of that prior period. Copies of these statements are available for inspection at the offices of the Commission in Washington and of the American Stock Exchange in New York City.

In view of the foregoing disclosures by the company, the Commission concluded that the suspension of trading in Belock securities would not be extended beyond November 8, 1965.

POLYCHROME FILES STOCK PLAN. Polychrome Corporation, 2 Ashburton Ave., Yonkers, N. Y., filed a registration statement (File 2-24188) with the SEC on November 3 seeking registration of 105,514 shares of common stock, to be offered pursuant to its Qualified Stock Option Plan.

GMAC PROPOSES DEBENTURE OFFERING. General Motors Acceptance Corporation, 1775 Broadway, New York 10019, today filed a registration statement (File 2-24189) with the SEC seeking registration of \$150,000,000 of debentures (due 1987). The debentures are to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in financing the distribution of new products manufactured by General Motors Corporation to dealers for resale, and to finance such dealers' retail instalment sales of new products as well as used units of any make. Net proceeds from its debenture sale will be added to general funds and will be available for the purchase of receivables or for maturing debt. Such proceeds initially may be applied to reduction of short-term borrowings or invested in short-term securities. In addition to indebtedness, the company has outstanding 1,650,000 capital shares, owned entirely by General Motors. Thomas W. Towell is president.

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 in parentheses. 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 November 1 News Digest.

Bangor Punta Alegre Sugar Corp. Sept 65, (2,12,13)	1-4972	Caterpillar Tractor Co. Sept 65, (12,13)	0-1742
Charter Company Feb. 63, (1,2,7,11,13)	0-1825	Sheraton Corp of America Sept 65, (11,13)	1-3330
July 64, (11)	0-1825		
Aug. 62, (4,7,13)	0-1825		
Tyson's Foods, Inc. Sept 65, (7,13)	2-20965	Bloomfield Building Indus., Inc. Sept 65, (7,8,12,13)	1-4608
		Southwestern Invnt Co. Aug 65, (4,8,13)	0-47
Pacific Asbestos Corp Sept 65, (12,13)	1-4589	ITV Ling Altec Sept 65, (2,13)	2-23229
Rogers Brothers Company Sept 65, (11,13)	2-21627	American Urethane, Inc. Sept 65, (7)	0-216
Stop & Shop Inc. Sept 65, (11,13)	1-1722-2		

SECURITIES ACT REGISTRATIONS. Effective November 1: Polrized Corporation of America, 2-23867 (90 days).
Effective November 3: Florida Power Corp., 2-24117; The Quaker Oats Co., 2-24128.
Effective November 4: Catalina Casualty Insurance Co., 2-23688 (90 days); Globe Realty Investments, 2-23678 (90 days); K S M Products, Inc., 2-24060 (90 days); Home Security Life Insurance Co., 2-24093 (Feb 3); The S. E. Massengill Co., 2-24101 (90 days) and 2-24131.
Withdrawn November 3: Cantop, Inc., 2-22237.

NOTE TO DEALERS. 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.

*As estimated for purposes of computing the registration fee.