

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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(Issue No. 65-11-14)

FOR RELEASE November 19, 1965

SEC JOINS LUSK CORP. PROCEEDINGS. The SEC has filed notice of appearance in the Chapter X proceedings for the reorganization of the Lusk Corporation in the Federal court at Tucson, Ariz. The Debtor is engaged in the construction and sale of apartment developments and single-family residences. As at June 30, 1964, on a consolidated basis, the Debtor reported total assets aggregating \$19,144,328, including receivables of about \$5.8 million; subdivision development costs of approximately \$6.1 million; in process inventories of \$1.5 million; and land and improved real estate held for investment of \$3.8 million. Liabilities of approximately \$16 million included \$1,620,000 principal amount of 6-1/2% convertible subordinated debentures. These were issued and sold in November 1961 as part of a public offering of units consisting of \$25 principal amount of debentures and four shares of common stock and one warrant to purchase an additional share of common stock, at \$45 per unit. The debentures were sold throughout the country, and are now owned by approximately 400 persons. As at June 30, 1964, there were 446 holders of the 1,148,333 shares of outstanding common stock.

E.U.A. SEEKS ORDER. Eastern Utilities Associates, Boston, Mass., and two of its electric-utility subsidiaries, Blackstone Valley Electric Co. and Fall River Electric Co., have applied to the SEC for an order under the Holding Company Act authorizing the subsidiaries to sell to banks (and/or, in Blackstone's case, to EUA) short-term, unsecured, promissory notes from time to time during the period ending December 22, 1966. The Commission has issued an order (Release 35-15351) giving interested persons until December 10 to request a hearing thereon. According to the application, Blackstone and Fall River propose to sell notes aggregating a maximum of \$5,600,000 and \$900,000, respectively, to be outstanding at any one time. Proceeds of the sale of notes will be used by the respective companies to repay outstanding notes and to finance construction expenditures. Aggregate construction expenditures in 1966 for both companies are estimated at \$2,200,000.

JACK EINIGER PLEADS GUILTY. The SEC New York Regional Office announced November 16 (LR-3371) that Jack Einiger, formerly employed by Broadwall Securities, Inc., pleaded guilty (USDC, SDNY) to conspiring to give false testimony to SEC officers. Sentencing was deferred until December 21.

WOMETCO FILES STOCK PLAN. Wometco Enterprises, Inc., 316 N. Miami Ave., Miami, Fla. 33128, filed a registration statement (File 2-24235) with the SEC on November 18 seeking registration of 50,000 shares of Class A common stock, to be offered pursuant to its Employees' Stock Purchase Plan of 1965.

MANAGEMENT ASSISTANCE FILES FOR SECONDARY. Management Assistance Inc., 300 E. 44th St., New York 10017, filed a registration statement (File 2-24236) with the SEC on November 18 seeking registration of 4,000 outstanding warrants to purchase common stock (expiring 1968), 5,000 outstanding warrants to purchase common shares (expiring 1969), and the underlying ^{9,000} shares. The present holders of the warrants may from time to time exercise the warrants (or sell them to persons who will undertake to exercise the warrants) and sell the stock issued upon exercise thereof at prices then prevailing in the over-the-counter market (\$54.25 per share maximum*). The exercise price of the 1968 warrants ranges from \$5.25 to \$8.82 per share; the 1969 warrants are exercisable at \$10 per share.

The company is primarily engaged in purchasing, reconditioning and servicing data processing equipment which it rents to its customers. In addition to indebtedness and preferred stock, it has outstanding 1,454,036 common shares, of which management officials own 27%. Commercial Industries Corp. and Aaron Katz own, in equal portions, the 1968 warrants and are offering their entire holdings in the company. Mesirov & Co. owns the 1969 warrants and will retain warrants to purchase 10,000 common shares. Walter R. Oreamuno is board chairman of the company and Jorge M. Gonzalez is president.

COLONIAL STORES FILES STOCK PLANS. Colonial Stores Incorporated, 2251 N. Sylvan Rd., East Point, Ga. 30344, filed a registration statement (File 2-24237) with the SEC on November 16 seeking registration of 81,599 shares of common stock, to be offered under the company's 1955 and 1960 Restricted Stock Options and 1961 Restricted and Qualified Stock Options.

PINAL COUNTY DEVELOPMENT SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in the 5-7/8% industrial development revenue bonds, due 1989, of Pinal County Development Association for a further ten-day period, November 21-30, 1965, inclusive.

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SUSPENSION OF KAMEN & CIRLIN FIRMS PROPOSED. SEC Hearing Examiner Sidney Gross has filed an initial decision in administrative proceedings under the Securities Exchange Act involving Kamen & Company and Frederick Cirlin Associates, Inc., New York broker-dealer firms. Based upon findings by the Examiner that the two firms and certain individuals engaged in activities violative of the anti-fraud, anti-manipulative and other provisions of the Federal securities laws, Examiner Gross ruled that the public interest requires the imposition of sanctions, as follows: (a) Kamen & Company should be suspended for 10 business days from membership in the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers, Inc.; (b) Abraham Kamen, a general partner, should be suspended from association with a broker-dealer firm for 90 days; (c) the broker-dealer registration of Frederick Cirlin Associates, Inc., should be revoked; (d) Frederick Cirlin, its president, should be barred from being associated with a broker-dealer; and (e) Brian Frederick Barrabee, Cirlin Inc. vice president, who interposed no defense to the charges, should also be barred from association with a broker-dealer firm. Under SEC rules, the respondents may petition for Commission review of the Examiner's decision within 15 days.

The Examiner's findings related principally to transactions in 1962-63 in stock of another firm, Jerome, Richard & Co., Inc. ("JR"). "The record in this case," according to his findings, "presents a massive fraud, carefully and astutely planned and executed by a group led by George Herman and Laurence H. Ross. It had its inception in the original distribution of JR stock and culminated in the swindling of 34 over-the-counter brokers and dealers out of almost one-half million dollars." Cirlin Inc. and Cirlin were found to have been an integral part of the fraud. Kamen was found to have had knowledge of transactions in JR stock, directed by the broker-dealer department of Kamen & Co., which constituted part of the over-all fraud, and to have failed to properly supervise the broker-dealer department. Previously, preliminary injunctions were entered against JR and four other participants, Frances Ginsberg, Anthony Perotta, Richard Venticinqu (JR president), and Jerome Perlongo (JR vice president); permanent injunctions were entered against Ross, Herman, Cirlin Inc. and Jerome Melvin Grossinger; and on August 27, 1965, based upon their default, the Commission revoked the broker-dealer registration of JR and barred Venticinqu, Perlongo, Herman, Grossinger, Perotta and Ginsberg from further association with broker-dealer firms. The Commission was unable to serve Ross with notice of the proceedings.

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.

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| Hazeltine Corp Oct 65, (3) | 1-230-2 | Houston Natural Gas Corp Oct 65, (7,13) | 0-16-2 |
| Diamond Crystal Salt Co Oct 65, (3) | 0-1551-2 | International Business Machines Corp Oct 65, (3) | 1-2360-2 |
| Hawaiian Pacific Industries, Inc. Oct 65, (11,13) | 2-16767-2 | Mohawk Electronics Corp Apr 62, (3,12) | 2-15788-2 |
| Dayton Malleable Iron Company Oct 65, (7,12) | 0-947-2 | General Fireproofing Co. Oct 65, (7) | 1-4693-2 |
| Hughes & Hatcher, Inc. Oct 65, (7,13) | 1-3387-2 | Colonial Acceptance Corp Oct 65, (7,12,13) | 0-1749-2 |
| International Salt Co. Oct 65, (3,11) | 1-643-2 | The Alfred Hart Co. Oct 65, (11,12,13) | 1-5136-2 |
| Continental Securities Corp Oct 65, (7,12,13) | 2-23494-2 | Joy Mfg Co Oct 65, (4,11,12,13) | 1-3156-2 |
| Kerr-McGee Oil Industries Inc. Oct 65, (11,13) | 1-3939-2 | Crystal Oil and Land Co Amend #1 to 8K - Nov 64 (4) | 1-4892-2 |
| Ansul Co (The) Oct 65, (10,12) | 1-4606-2 | Chesapeake Life Insurance Co. Amend #1 to 8K - June 65 (7,12,13) | 2-22205-2 |
| Drewrys Limited U.S.A., Inc. Oct 65, (12,13) | 1-3824-2 | Industrial-America Corp Amend #1 to 8K - Feb 65, (11,13) | 2-17262-2 |
| Ford Motor Co. Oct 65, (13) | 1-3950-2 | King-Seeley Thermos Co. Amend #1 to 8K - Mar 65, (2) | 1-3270-2 |
| Electro Refractories & Abrasives Corp Oct 65, (12,13) | 0-287-2 | P. H. Glatfelter Co. Oct 65 (7,13) | 1-3560-2 |
| Interlake Steel Corporation Oct 65, (8,12) | 1-1068-2 | Indiana Bell Tel, Inc. Oct 65, (7,13) | 2-21428-2 |
| Avco Corp Oct 65, (4,7,8,13) | 1-124-2 | Magnetic Controls Co Oct 65, (7) | 0-1424-2 |
| Cowles Magazines & Broadcasting, Inc. Oct 65, (11,13) | 0-450-2 | | |

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| NY Susquehanna & Western RR Co Oct 65, (12) | 1-807-2 | Gulf Power Company Oct 65, (3) | 2-4833-2 |
| Noramco, Inc. Aug 65, (2,4,7,13) | 1-4062-2 | Hayes Industries Inc Oct 65, (11,13) | 1-3167-2 |
| Allcity Insurance Co Oct 65, (2,7,11,13) | 2-22801-2 | International Resistance Co Oct 65, (3,7,12,13) | 1-3768-2 |
| Genesee Brewing Co., Inc. Oct 65, (11) | 0-1653-2 | Monroe Auto Equipt Co Oct 65, (11) | 0-1805-2 |
| Hamilton Management Corp Oct 65, (3) | 0-1628-2 | New York Shipbuilding Corp Oct 65, (13) | 1-226-2 |
| Industrial Instruments, Inc. June 64, (7) | 1-4899-2 | Great American Industries, Inc. Amend #2 to 8K-Apr 65, (12) | 1-3782-2 |
| Marsh Steel & Aluminum Co. Oct 65, (2,8,11,13) | 2-9906-2 | National Secur. Inc. Amend #1 to 8K-July 65, (7) | 0-1105-2 |
| The Mensh Corp Oct 65, (11) | 2-17304-2 | The Cat Co Oct 65, (12) | 2-23289-2 |
| Originals, Inc. Oct 65, (7,11,13) | 1-5145-2 | Hotel Corp of Israel Oct 65, (11,13) | 0-1670-2 |
| Hi-Shear Corp Oct 65, (12,13) | 2-18622-2 | Kaiser Industries Corp Oct 65, (3,13) | 1-3340-2 |
| Kentucky Utilities Co Oct 65, (11,13) | 1-3464-2 | Kaiser Steel Corp Oct 65, (3) | 0-433-2 |
| National Rolling Mills Co Oct 65, (7) | 1-4674-2 | Hoover Company Oct 65, (11) | 0-837-2 |
| Genuine Parts Co Oct 65, (2,4,7,13) | 0-397-2 | Standard Brands Inc Oct 65, (12) | 1-1186-2 |
| Hydra-Power Corp Nov 64, (7,13) | 2-16284-2 | Hickock Electrical Instrument Co Oct 65, (11) | 0-147-2 |
| MacAndrews & Forbes Co Oct 65, (3) | 1-1222-2 | BBB, Inc - Formerly: NAC Charge Plan & Northern Accep. Corp. Sept 65, (8,11,2,12) | 2-18380-2 |
| Geo. J. Meyer Mfg. Co. Oct 65, (11,13) | 0-1847-2 | Newport News Shipbuilding & Dry Dock Co. Oct 65, (13) | 1-3130-2 |
| Pocket Books, Inc Oct 65, (12) | 0-389-2 | Hoffman International Corp Oct 65, (8,12) | 1-4120-2 |
| Cleve Cin Chi & St Louis Ry Co Oct 65, (11) | 1-1710-2 | K L & D Co. - Formerly:- Knox Glass, Inc. (Pa.) Sept 65, (2,7,11,12) | 0-130-2 |
| Harsco Corp Oct 65, (7,11) | 1-3970-2 | Houdaille Industries Inc Oct 65, (11) | 1-328-2 |
| General Public Utilities Corp NY Oct 65, (3) | 1-3292-2 | Hayden Publishing Co Inc Oct 65, (3) | 2-19382-2 |
| Livingston Oil Co Oct 65, (7,13) | 1-4539-2 | Obear-Nester Glass Co Oct 65, (11) | 0-1720-2 |
| Michigan Consol Gas Co Oct 65, (7,13) | 1-3071-2 | | |
| Wallace-Murray Corp Sept 65, (2,4,7,8,9,13) | 1-1095-2 | | |

SECURITIES ACT REGISTRATIONS. Effective November 19: Lear Jet Corp., 2-23994.

*As estimated for purposes of computing the registration fee.

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