

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE February 12, 1959

## STEVEN RANDALL CO. REGISTRATION REVOKED

The SEC today announced the issuance of a decision (Release 34-5872) revoking the broker-dealer registration of Steven Randall & Co., Inc., 40 Exchange Place, New York. Randall & Co. consented to entry of the order; and Frank M. Naft, its president and controlling stockholder, who had consented to be named a "cause" of any order of revocation which might be issued, was found by the Commission to be a cause of its order.

The decision was based upon permanent injunctions entered against Randall & Co. and Naft by the U. S. District Court (SDNY) and the Supreme Court of the State of New York for New York County. The Federal injunction, entered on June 27, 1957, upon a complaint filed by the Commission, enjoins Randall & Co. and Naft from violations of Section 5 of the Securities Act of 1933 in connection with the sale of unregistered shares of common stock of the Swan Finch Oil Corporation or of any other unregistered securities. The State injunction, entered on June 23, 1958, enjoins them and others from engaging in the securities business in that State. The complaint in that action, filed by the Attorney General of the State of New York, alleged that the defendants distributed false and fraudulent literature and engaged in other fraudulent practices in connection with the sale of securities of the Texas Union Oil Corporation. Randall & Co. and Naft consented to both injunctions, but denied the allegations of fraud in the State Court action.

Furthermore, according to the Commission's decision, Randall & Co. failed to correct the statement in its registration application that neither it nor Naft had been enjoined from any conduct in connection with the purchase and sale of securities.

## WESTERN CASUALTY FILES FOR RIGHTS OFFERING

The Western Casualty and Surety Company, 916 Walnut St., Kansas City, Mo., filed a registration statement (File 2-14739) with the SEC on February 11, 1959, seeking registration of 100,000 shares of its Capital Stock. The company proposes to offer the stock for subscription by holders of outstanding stock at the rate of one additional share for each five shares held. The record date, subscription price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be added to and used as a part of the company's general funds, and are intended to be invested in securities. The purpose of the financing is to provide additional capital funds which the company believes to be advisable by reason of past and possible future increases in the volume of premiums written.

## SILLS AND GREEN INDICTED

The Atlanta Regional Office has announced the indictment on February 5, 1959, in the USDC, SD Fla., at Miami, of Robert Bernard Silks and Arthur P. Green on charges of violating anti-fraud provisions of Securities Act, false statement prohibitions of Securities Exchange Act, and Mail Fraud Statute.

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For further details, call ST. 3-7600, ext. 5526

## UNITED PACIFIC SEEKS INDENTURE QUALIFICATION

United Pacific Corporation, 501 Exchange Building, Seattle, on February 11, 1959, filed an application (File 22-2509) with the SEC for qualification under the Trust Indenture Act of a trust indenture pursuant to which it proposes to exchange an unspecified amount of 5 $\frac{1}{4}$ % Sinking Fund Debentures for shares of outstanding Participating Preference Stock under its Plan of Recapitalization.

FOLLOWING IS ADDENDUM TO NEWS DIGEST OF FEBRUARY 11, 1959:

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 suspending trading on the New York Stock Exchange in the Class A and Class B Common Stocks of The Bon Ami Company for a period of ten days, February 11, 1959, to February 20, 1959, inclusive. Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension, by reason of the Commission's Rule 15c2-2.

At the same time, the Commission announced that it had ordered proceedings pursuant to Section 19(a)(2) of the Act to determine whether the Bon Ami stocks should be suspended or withdrawn from listing and registration on the Exchange. The order asserts that the company has failed to comply with the reporting and disclosure requirements of the Act and the rules and regulations of the Commission thereunder. A hearing for the purpose of taking evidence therein will be held on March 23, 1959, in the Commission's Washington Office.

Based upon information developed in an investigation conducted by the Commission's Staff, it appears that Bon Ami stock belonging to Alexander Guterma, former board chairman of Bon Ami, has been pledged to secure personal loans to Guterma, and that certain of such loans are in default and the creditors, by reason thereof, have sold such shares or part thereof.

It further appears from the Commission's order authorizing the proceedings under Section 19(a)(2) that Bon Ami has failed to file or has filed inadequate and misleading reports concerning various purchases and sales of assets from and to affiliated persons and corporations, and by or through certain foreign intermediaries. Among these are the purchase by Bon Ami of rights to exhibit motion pictures on television and in theatres in foreign countries, the purchase of spot television time, and the purchase and resale of a controlling block of stock of First National Bank of Greenport, Greenport, Long Island.

The said proceedings on the question of suspension or withdrawal of the Bon Ami stocks from listing and registration have been consolidated for purposes of hearing with an application filed by the New York Stock Exchange to strike the said stocks from listing and registration.

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