

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 July 21, 1964

SEC ORDER CITES FABRIKANT CORP. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Fabrikant Securities Corporation, 1 Bushwick Place, Brooklyn, N. Y. The firm has been registered with the Commission as a broker-dealer since June 10, 1961. Martin Fabrikant is president of the firm ("Registrant") and of its sole stockholder, Capital Consultants Corp. Edwin LeBow is vice-president of Registrant and Morton Gindin is secretary-treasurer. According to the Commission's order, Registrant, Fabrikant and Gindin were permanently enjoined on June 3, 1964, by the State Supreme Court in New York from engaging in and continuing certain conduct and practices in connection with the sale of securities; and Registrant on March 25, 1964, was suspended from membership in the National Association of Securities Dealers, Inc., for a period of 30 days and fined \$1,000, and Fabrikant was named a cause of such suspension.

The proceedings are based upon staff charges that Registrant, Fabrikant, LeBow and Gindin, together with 16 of Registrant's salesmen, violated the anti-fraud provisions of the Federal securities laws in connection with the offer, sale and purchase of securities of Continental Fund Distributors, Inc., Capital Consultants Corp., Aceto Chemical Co., Inc., Uneda Vending Service Co., Inc. and Jefferson Financial Corp. The salesmen named in the order are Norman Aborn, Nathan Abramowitz, D. Richard Engel, a/k/a Richard D. Engel, Irving Friedman, Stuart Israel, Kenneth Jacobs, Henry Kalish, Marvin Katz, a/k/a Martin Karr, Eugene E. Leighton, Stan Lubow, Herbert Patlis, Bernard Portnoy, Maurice Rosen, a/k/a Marty Rosen, Benjamin Saporta, Fred Weiss and Marek Wieseltier.

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford Registrant and the individual respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

J. BRAD DAVID, LTD. HEARING SET. The Commission has scheduled a hearing for September 21, 1964, in its New York Regional Office with respect to administrative proceedings involving the broker-dealer firm of J. Brad David, Ltd., of 14 Maiden Lane, New York, N. Y. Staff charges in this action relate to transactions in the stock of American Fund Fair, Inc.

SOUTHEASTERN SECURITIES CANCELLED. The Commission has ordered cancellation of the broker-dealer registration of Southeastern Securities Corporation, 15 William Street, New York, N. Y. According to the order, Southeastern and its president, A. Francis Renaud, were enjoined (on default) by a Federal court order of February 28, 1964, from violating certain provisions of the Securities Exchange Act; and Southeastern has ceased doing business as a broker-dealer.

TWO FIRMS SEEK REPORTING EXEMPTION. The following companies have filed applications with the SEC pursuant to provisions of the Securities Exchange Act of 1934, seeking exemptions from the periodic reporting requirements of the Act; and the Commission has issued orders giving interested persons until August 17, 1964 to request hearings thereon: (a) Avemco Finance Corporation and (b) P. N. Hirsch & Company.

According to its application, Avemco on June 6, 1963 became a wholly-owned subsidiary of Avemco Corporation, which files periodic reports with the Commission that include financial statements of Avemco. Hirsch became a 99.65%-owned subsidiary of International Shoe Company on April 30, 1964; and International files periodic reports with which Hirsch's financial statements are consolidated.

COURT ENJOINS HOUSER DRILLING CO. The SEC Denver Regional Office announced on July 16 (LR-2988) the entry of a Federal court order (USDC, Colorado) permanently enjoining the Houser Drilling Company, Inc., a Delaware corporation doing business in Colorado, from further violations of the Securities Act registration requirements in the offer and sale of fractional undivided interests in an oil and gas lease on lands situated in Weld County, Col. Action as to defendant R. G. Houser was dismissed by reason of death.

TEMPTRONIC STOCK SALE ENJOINED. The SEC Denver Regional Office announced July 16 (LR-2989) the entry of a Federal court order (USDC, Salt Lake City) permanently enjoining violations of the anti-fraud provisions of the Federal securities laws by Temptronic Corporation, Edward M. Jeppson and Thomas A. Carter.

LOESCH & CO. ENJOINED. The SEC San Francisco Regional Office announced July 17 (LR-2990) the entry of a Federal court order (USDC, Los Angeles) permanently enjoining Ralph E. Loesch & Co., of Los Angeles, and Ralph E. Loesch, president, Jack E. Roberts, secretary, and Ronald S. Harnack and John J. Shiling, co-managers, from further violating the SEC net capital rule and its rule requiring prompt transmission of funds received in a stock distribution.

OVER

MUTUAL INDUSTRIES FUND PROPOSES OFFERING. Mutual Industries Fund, Inc., 423 Texas National Bank Bldg., Houston, Tex., filed a registration statement (File 2-22613) with the SEC on July 20 seeking registration of \$5,000,000 of common stock, to be offered for public sale at net asset value plus a maximum sales commission of 8.5%. The principal underwriter is Texas Fund Management Company (of the Houston address), which also acts as the Fund's investment adviser and manager.

Organized under Texas law in July 1964, the Fund is an open-end diversified management investment company the purpose of which "is to attain for its shareholders the optimum capital appreciation consistent with prudent management." Shareholders of the Fund may exchange all or a part of their shares for shares of Texas Fund, Inc., or Mutual Income Fund, Inc. (either of whose shares may be similarly exchanged for shares of Mutual Industries Fund), at respective net asset values. Texas Fund, Inc., is an open-end investment company organized in 1949 under Delaware law, and Mutual Income Fund is an open-end investment company organized in 1964 as a Texas corporation. They are also managed by Texas Fund Management Company. Clive Runnell, Jr., is president of the three Funds.

BRENCO FILES FOR SECONDARY. Brenco, Incorporated, Poe, Va., filed a registration statement (File 2-22614) with the SEC on July 20 seeking registration of 70,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made through an underwriting group headed by J. C. Wheat & Co., 1001 E. Main St., and Branch & Co., 1015 E. Main St., both of Richmond. The public offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of bronze and roller journal bearings for railroad freight and passenger cars. In addition to indebtedness, it has outstanding 500,000 shares of common stock, of which management officials as a group own approximately 28%. The prospectus lists three selling stockholders, as follows: George H. Whitfield (board chairman), offering 30,000 of his holding of 77,500 common shares; Mildred F. Whitfield (wife of George H. Whitfield), offering 35,000 of 95,000 common shares; and Alden Joy Perrine and William Verne Joy (as co-trustees under a trust agreement), offering 5,000 of 10,000 common shares. George W. Moyar is president.

INSURANCE SECURITIES FILES FOR SECONDARY. Insurance Securities Incorporated, 100 California St., San Francisco, filed a registration statement (File 2-22615) with the SEC on July 20 seeking registration of 1,050,000 shares of common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by White, Weld & Co., Inc., 20 Broad St., and Kidder, Peabody & Co., Inc., 20 Exchange Pl., both of New York. The public offering price (\$28 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is the exclusive distributor of Participating Agreements in an open-end investment company, Insurance Securities Trust Fund, which it also manages subject to the supervision of the board of directors of the Fund. In addition, it is the sole stockholder of Life Insurance Company of California, an insurance company which has been in operation a little over a year. The company has outstanding 10,608,600 common shares, of which management officials as a group own approximately 39%. The prospectus lists seven selling stockholders (all of whom are company officials), including Perry R. Bass (director) offering 350,000 of his holding of 861,596 common shares held; Edwin R. Foley (senior vice president), offering 20,000 of 74,102; D. D. Harrington (director), offering 350,000 of 2,093,286; Leland M. Kaiser (board chairman), offering 295,000 of 506,000; and Richard L. McKee (president), offering 15,000 of 98,000. The remaining two selling stockholders are offering 10,000 shares each (of their holdings of 47,006 and 61,600 shares, respectively).

DELISTING APPROVED. The SEC has issued an order (Release 34-7373) granting an application of the National Stock Exchange to delist the T. V. Development Corporation common stock, effective at the opening of business on July 29th.

UNLISTED TRADING SOUGHT. The SEC has issued an order (Release 34-7373) giving interested persons until August 4th to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Texas Industries, Inc.

SECURITIES ACT REGISTRATIONS. Effective July 20: Seiberling Rubber Co. (File 2-22385). Effective July 21: Indianapolis Power & Light Co. (File 2-22553); Industrial Life Insurance Co. (File Nos. 2-22491 and 2-22493).

*As estimated for purposes of computing the registration fee.

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