

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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FOR RELEASE October 9, 1964

**WILLIAM GLANZMAN & CO. REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7437) revoking the broker-dealer registration of William Glanzman & Co., Inc. (now known as Greater National Growth, Inc.), 27 William St., New York. The Commission found that the firm violated the anti-fraud provisions of the Securities Act in the sale of common stock of Gaslite Equipment Co., Inc. William Glanzman (president), Oliver Paul Coleman (vice president), Anthony Frank Arrabito, Howard Saul Cohen, Frederick York Davies, Frank Engelman, Lee Gordon, Esther Rubinstein, Benjamin Saporta, and Kenneth Ivory West (employees of the registrant) were each found a cause of the revocation.

According to the decision, each of the individual respondents made false and misleading statements concerning Gaslite's operations, assets, financial condition, dividends and management, the price of Gaslite's stock and its listing on an exchange. In an intensive sales campaign conducted from September 1962 to March 1963 or later, the registrant used high-pressure tactics in the offer and sale of Gaslite stock to previously unknown persons, many of whose names were picked out of the telephone directories, without knowledge of or regard to the financial circumstances or investment needs of those persons, and by means of extravagant and imaginative representations that had no basis in fact and were obviously fabricated to promote sales without regard for the truth. Representations were made that Gaslite would be selling gas and was merging with another company, that its stock would double in a short time, that financial information was available on the company, that it was taking over some apartment buildings for back taxes, and that it was to receive a \$5 million contract. In reality, Gaslite's only income-producing asset was a contract acquired in September 1962 to sell lots in subdivisions being developed by Arizona City Development Corporation for net commissions amounting to 5% of the sales. Arizona Development retained the right to terminate the contract if less than a specified number of lots were sold per year. Richard Kolar, through whom the contract was acquired, received 220,000 shares of Gaslite stock in exchange for the contract and became president of Gaslite. He conducted its activities from his real estate office in Chicago.

**JERSEY CENTRAL P & L FINANCING CLEARED.** The SEC issued an order under the Holding Company Act (Release 35-15136) authorizing Jersey Central Power & Light Company, Morristown, N. J., to sell at competitive bidding \$18,000,000 of first mortgage bonds due 1994. Net proceeds from the bond sale will be applied to the company's 1964 construction program (estimated at \$42,000,000) or used to partially reimburse its treasury for such expenditures.

**BENNETT, GILMORE, OTHERS ENTER GUILTY PLEAS.** The SEC Atlanta Regional Office announced (LR-3049) on October 6 the sentencing (USDC Charleston, S.C.) of Sterling W. Bennett to 2 years in prison; Doyle Gilmore to 18 months (6 months to be served with 12 months suspended); and Henry Bumpass and Dale Norman to 4 years, suspended. The sentences were imposed following a guilty plea by the defendants to one count of an indictment charging violations of the anti-fraud provisions of the Securities Act and the mail fraud and conspiracy statutes in the sale of securities of Physicians and Dentists Investment Corp., the Physicians and Dentists Finance Corp. (both of Columbia, S. C.), and a Florida corporation to be formed.

**JACWIN & COSTA AND BILTMORE SECURITIES INDICTED.** The SEC New York Regional Office announced (LR-3050) on October 6 the return of a 32-count indictment charging Jacwin & Costa, Inc., and Biltmore Securities Corp., defunct New York broker-dealers, and their principals, Irvin William Jacwin, Joseph A. Costa and Wilbur Buff, 24 salesmen and 2 other individuals with violations of and conspiracy to violate the registration and anti-fraud provisions of the Securities Act of 1933 and the mail fraud statute in the sale of common stock of Luta Uranium and Oil Co. and Shelton-Warren Oil Co.

**MCKESSON & ROBBINS FILES STOCK PLAN.** McKesson & Robbins, Inc., 155 E. 44th St., New York, filed a registration statement (File 2-22836) with the SEC on October 8 seeking registration of \$7,099,375 of participation in its Stock Investment Plan, together with 185,000 shares of common stock which may be acquired pursuant thereto.

**BORUSKI DENIED CONTINUANCE IN NASD MEMBERSHIP.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7440) denying an application of Ernest F. Boruski, Jr., of 290 Riverside Drive, New York, that the Commission direct the NASD to continue him in membership in that Association. He previously had been found by the Commission to be a cause of its revocation of the broker-dealer registration of Financial Counsellors, Inc.

**BLUEFIELD SUPPLY FILES FOR SECONDARY.** Bluefield Supply Company, Bluefield, W. Va., filed a registration statement (File 2-22837) with the SEC on October 8 seeking registration of 52,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by J. C. Wheat & Co., 1001 E. Main St., Richmond, Va. The public offering price (\$16.50 per share maximum\*), identity of the selling stockholders and underwriting terms are to be supplied by amendment.

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The company is engaged in the sale and distribution of over 35,000 varieties of manufactured products ranging from heavy construction equipment to mousetraps. In addition to indebtedness, it has outstanding 649,675 common shares, of which management officials as a group own 13.25%. Lon N. Rish is board chairman and J. Taylor Frazier is president.

TRADING IN FOTOCHROME SECURITIES SUSPENDED. The SEC today issued an order temporarily suspending trading in the common stock and convertible subordinated debentures of Fotochrome Inc., of Long Island City, New York, for the 10-day period from October 9, 1964 through October 18, 1964. The suspension applied to trading in such securities on the American Stock Exchange (which earlier this date ordered suspension of trading therein), and in the over-the-counter markets.

The Commission's action was based on information obtained in an investigation by its staff which disclosed that information furnished by the company and its officials in public statements and releases, and information otherwise publicly disseminated with respect to recent developments in the business operations of the company, were misleading or omitted to state material facts -- concerning such matters as the nature and status of negotiations being conducted by the company with other corporations and the availability of financing for the manufacture and marketing of a camera. Under these circumstances, the Commission is of the view that public investors are unable to make an informed judgment in evaluating Fotochrome securities.

Accordingly, the Commission deems it necessary and appropriate in the public interest and for the protection of investors to suspend trading of these securities pending further clarification with respect to these and other related matters.

SECURITIES ACT REGISTRATIONS. Effective October 8: Astrodata, Inc. (File 2-22767); Investors Inter-Continental Fund, Inc. (File 2-21556). Effective October 9: The Hanover Insurance Co. (File 2-22776); The Prudential Oil Corp. (File 2-22654).

\*As estimated for purposes of computing the registration fee.

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