

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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Washington 25, D.C.

FOR RELEASE July 22, 1960

NASD DISCIPLINE OF TWO AFFIRMED. In a decision announced today (Release 34-6320), the SEC sustained disciplinary action by the National Association of Securities Dealers, Inc., against Gerald M. Greenberg and Robert Leopold, registered representatives formerly associated with H. Carroll & Co., of Denver.

After hearings before the NASD's District Business Conduct Committee No. 3, it found that Carroll & Co., Howard Carroll, its president, and Greenberg and Leopold had violated certain of the NASD's Rules of Fair Practice. The Committee expelled Carroll & Co. from NASD membership and revoked the registrations of the three individuals as representatives of the firm. The action of the Committee was affirmed by the NASD Board of Governors after further hearing before it. Greenberg and Leopold served as treasurer and vice-president, respectively; and they held about 10% and 30%, respectively, of the outstanding stock of Carroll & Co. Only Greenberg and Leopold appealed to the Commission from the NASD action.

Among the violations of its rules found by the NASD was the sale of securities by Carroll & Co. at unfair prices. In 92 sale transactions with customers during July 1957, Carroll & Co. realized mark-ups from contemporaneous cost or sale prices or current market price ranging between 5.5% and 81.8%. The mark-ups in 77 transactions ranged from 5.5% to 61.5%. Three sales involved mark-ups of between 5% and 10%, 42 between 10 and 20%, and 32 over 20% of which 20 were mark-ups of 25% or more and 8 were mark-ups of over 30%. In addition, on July 1, 1957, the firm effected 15 sales of a uranium company stock in which the mark-ups ranged between 8% and 81.8%.

The NASD also found that its rules were violated by reason of the fact that Carroll & Co., through telephone solicitations in California, induced customers to purchase low price speculative securities without reasonable grounds for believing the recommendations suitable to the customers; the failure to register 43 individuals performing services as representatives, primarily in its Beverly Hills branch office; the failure to register with the NASD, as a branch office, an office in Gardena, Calif.; and the failure to comply with requirements of Regulation T calling for settlement of securities transactions within 7 days.

The Commission sustained the NASD finding that its rules had been violated in the respects indicated; held that Greenberg and Leopold must share in the responsibility therefor, despite their protestations to the contrary which they voiced for the first time after the case was appealed to the Commission; and concluded that the NASD's disciplinary action revoking their registrations was not excessive or oppressive. Accordingly, the Commission dismissed the appeal.

PERKIN-ELMER FILES FOR OFFERING. The Perkin-Elmer Corporation, Main Avenue, Norwalk, Conn., filed a registration statement (File 2-16821) with the SEC on July 21, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of precision scientific instruments which analyze chemical compounds by measurement of their distinct physical characteristics and electro-optical systems and precision optics principally for space and missile fields. Of the net proceeds from the stock sale \$1,400,000 will be applied to construction of a plant in Norwalk, Conn., \$500,000 will be applied to the purchase of machinery and equipment and the remainder will be added to the general funds.

In addition to certain indebtedness, the company has outstanding 1,146,436 shares of common stock, of which Richard S. Perkin, board chairman and president, owns 20.3% and the company's directors and officers as a group own 23.2%.

ROCHESTER TELEPHONE FILES FOR BOND OFFERING. Rochester Telephone Corporation, 10 Franklin Street, Rochester, N. Y., filed a registration statement (File 2-16822) with the SEC on July 21, 1960, seeking registration of \$12,000,000 of First Mortgage Bonds, Series E, due 1933, to be offered for public sale at competitive bidding. The net proceeds from the sale of bonds will be applied to the repayment of demand borrowings from banks made in 1959 and 1960 for construction purposes, expected to aggregate \$12,000,000. The total gross expenditure for construction in 1960 is expected to be \$13,500,000. The balance of funds required for such construction in 1960 will be obtained from depreciation accruals, retained earnings and other internal sources and bank borrowings.

OVER

For further details, call WOrth 3-5526

SELECTIVE SECURITIES, MILLER & MILLER ENJOINED. A Federal court order of preliminary injunction was issued June 30, 1960 (USDC SDNY) restraining Sidney Miller and Alfred Miller, doing business as Selective Securities, 50 Broad St., New York, from further violating the Commission's bookkeeping rules (LR-1733).

TRADING IN SKIATRON ELECTRONICS SUSPENDED. The SEC has ordered the further suspension of trading on the American Stock Exchange and the over-the-counter market in the common stock of Skiatron Electronics and Television Corporation, New York, for the period July 25 to August 3, 1960, inclusive (Release 34-6325).

CONQUERING HERO CO. FILES FOR OFFERING. The Conquering Hero Company, 165 West 46th St., New York, filed a registration statement (File 2-16823) with the SEC on July 21, 1960, seeking registration of \$300,000 of limited partnership interests "in a dramatico-musical play (the "Play") presently untitled," to be offered in units of \$6,000 (subject to 20% involuntary overcall).

According to the prospectus, the general partner, Robert Whitehead, of 29 Washington Square West, New York, has entered into an agreement with Producers Theatre, Inc., of the 165 West 46th St. address, whereby Producers Theatres will be entitled to receive the major portion of Whitehead's share, as general partner, of the net profits of the partnership. Whitehead and Producers Theatres are the promoters. The plan is to be based on and is suggested by the motion picture, "Hail The Conquering Hero." All rights in the basic material were acquired from Paramount Pictures, Inc. by Emka, Ltd., a subsidiary of MCA, Inc. Producers Theatre has entered into an agreement with Emka whereby it has acquired the rights to cause to be written and to produce a dramatico-musical adaptation of the basic material. It also has entered into a Dramatists Guild Dramatico-Musical Minimum Basic Production Contract with Robert Fosse, Larry Gelbart, Morris Charlap and Norman Gimble, engaging said persons to write the play.

GENERAL STEEL CASTINGS FILES FOR OFFERING AND SECONDARY. General Steel Castings Corporation, 1417 State Street, Granite City, Ill., today filed a registration statement (File 2-16824) with the SEC seeking registration of 296,649 shares of common stock, of which 100,000 are to be offered for public sale by the company and the balance, being outstanding stock, by the present holder thereof. The offering will be made at a price related to the current market price for outstanding shares at the time of the offering; Hornblower & Weeks heads the list of underwriters; and the underwriting commission is to be supplied by amendment.

In addition to certain indebtedness, the company now has outstanding 815,480 common shares. The company intends to lend its subsidiary, St. Louis Car Company, in September, all of the net proceeds to be received from the sale of the additional 100,000 shares, together with an additional amount from its working capital, with which the Car Company will prepay a 6% mortgage note outstanding as of June 30th in the amount of \$2,400,000.

Of the outstanding stock, American Steel Foundries of Chicago owns 196,649 shares, or 24.11% and proposes to offer such shares for public sale. The prospectus lists Charles P. Whitehead as president. Management officials own 7.56% of the outstanding stock.

HALLICRAFTERS FILES FOR OFFERING AND SECONDARY. The Hallicrafters Co., 4401 W. Fifth Avenue, Chicago, today filed a registration statement (File 2-16825) with the SEC, seeking registration of 300,000 shares of capital stock, of which 100,000 shares are to be offered for public sale for the account of the issuing company and 200,000 shares, being outstanding stock, for the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Paine, Webber, Jackson & Curtis heads the list of underwriters.

The company is engaged in research, development and manufacture for the military of electronic equipment such as missile components, electronic countermeasure equipment, fixed station communication equipment and air-borne radar jamming equipment. In addition, it commercially manufactures and sells, under the advertised name "Hallicrafters", short-wave radio transmitting and receiving equipment designed primarily for amateur, commercial and industrial communications use. The net proceeds of its sale of the additional 100,000 shares will be used to increase the company's working capital, \$1,000,000 of which will be used to temporarily reduce short-term bank loans. In the near future, \$500,000 of the company's funds will be used to purchase machinery and equipment and production facilities for a new plant facility in Chicago, and \$250,000 for expansion of research, development, office and administrative facilities and purchase of laboratory equipment for the Fifth Avenue plant.

In addition to certain indebtedness, the company has outstanding 1,005,000 shares of capital stock, of which 981,000 shares (97.6%) are owned by William J. Halligan, board chairman and president, and four members of the Halligan family. Halligan is selling 40,000 of 193,600 shares owned, and members of the family are selling an aggregate of 160,000 of 742,250 shares owned.

CANADIAN RESTRICTED LIST. The SEC has added Central and Eastern Canada Mines (1958) Ltd. and Vimy Explorations Ltd. to its Canadian Restricted List. The list now comprises the names of 216 companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.