

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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GENERAL PUBLIC UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14805) authorizing a proposed increase in the amount of authorized common shares of General Public Utilities Corporation, New York registered holding company, from 24,970,000 to 30,000,000 shares (23,836,398 shares are presently outstanding) in order to make provision for obtaining, as needed from time to time over the next few years, the cash required for the common stock equity component of the capital requirements of the GPU holding-company system. A favorable vote of a majority of GPU's outstanding shares is required to effectuate the proposed amendment to its Certificate of Incorporation, and GPU proposes to solicit such vote in connection with the solicitation by the GPU management of proxies for the annual meeting of stockholders to be held on April 1, 1963.

NEW ENGLAND ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14806) authorizing 13 utility subsidiaries of New England Electric System, Boston registered holding company, to borrow up to an aggregate of \$74,700,000 from time to time (through December 31, 1963) from banks and/or NEES. The proceeds of the proposed borrowings are to be used to pay then outstanding notes due to banks and/or to NEES (outstanding in the principal amount of \$43,600,000 at January 1, 1963), and to provide new money for construction expenditures or to reimburse the treasury therefor.

ALBERT J. SYLK SENTENCED. The SEC Atlanta Regional Office announced February 15 (LR-2510) that Albert J. Sylk, of N. Bay Island, Fla., received a two-year prison sentence (18-months suspended) and a fine of \$10,000 (USDC, DC, Fla.) following his pleas of guilty and nolo contendere to two counts charging that he filed an offering circular with the SEC in May 1959 with respect to a proposed Regulation A offering by Nylon Corporation, of Miami, Fla., which contained financial statements known by him to be fictitious, false and fraudulent.

JOSEPH D. VETTRAINO INDICTED. The SEC Chicago Regional Office announced February 19 (LR-2511) the return of an indictment by a grand jury in Detroit charging Joseph D. Vettraino, of Detroit, with violations of the anti-fraud provisions of the Federal securities laws while employed as salesman and cashier by Manley, Bennett & Company, a Detroit broker-dealer.

MADWAY MAIN LINE HOMES FILES FOR STOCK OFFERING. Madway Main Line Homes Inc., 315 E. Lancaster Ave., Wayne, Pa., filed a registration statement (File 2-21084) with the SEC on February 19 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel & Co., 1500 Walnut St., Philadelphia. The public offering price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the production, sale, erection and financing of manufactured homes, primarily in New England, the Middle Atlantic region and the Middle West. It also sells building materials and kitchen modernization equipment and services. According to the prospectus, about 95% of all manufactured homes are currently sold on a credit basis; and the net proceeds from the stock sale will be used to finance future credit sales. In addition to certain indebtedness, the company has outstanding 262,567 shares of common stock, of which Harry K. Madway, board chairman, Ralph K. Madway, president, and Sam Madway, vice president, own 23.1% each. Book value of stock now outstanding is \$6.91 per share.

Securities
SELECTED ~~OFFICES~~ WITHDRAWAL PERMITTED. The SEC today announced the issuance of an order (Release 34-7025) permitting withdrawal by Selected ~~Services~~, Incorporated, of 1025 Connecticut Avenue, N. W., Washington, D. C., of its broker-dealer registration; and the Commission dismissed proceedings to determine whether the firm's registration should be revoked. The Commission found that the firm failed to amend its application for registration to correct the address of its principal place of business, to file an initial report of financial condition and to keep a ledger or other record reflecting a liability for rent. However, under all the circumstances, including the nature of the violations found, and the fact that respondents are no longer engaged in the securities business, the Commission is of the opinion that revocation of registrant's registration is not required in the public interest and that withdrawal of registration should be permitted.

EAST COAST INVESTORS HEARING CONTINUED. The SEC has authorized the postponement, until further notice, of the hearing scheduled for February 20th in its New York Regional Office in proceedings to determine whether to revoke the broker-dealer registration of East Coast Investors Co., Inc., 150 Broadway, New York. The postponement was requested by the parties and followed their agreement on a stipulation which is expected to serve as the record on which the Commission's decision therein may be based.

OVER

IDS SEEKS ORDER. Investors Diversified Services, Inc. ("IDS"), a registered investment company (and investment adviser to and principal underwriter for Investors Mutual, Inc., Investors Stock Fund, Inc., Investors Selective Fund, Inc., Investors Variable Payment Fund, Inc., and Investors Inter-Continental Fund, Ltd.) has applied to the SEC for an order under the Investment Company Act for a determination by the Commission (1) that John D. Murchison and Clint W. Murchison (doing business as Murchison Brothers, a partnership), as well as Murray D. Lincoln (and/or companies controlled by or associated with him) control Alleghany Corporation; (2) that Allan P. Kirby, Sr., as well as an organized group of persons consisting of Allan P. Kirby, Sr., Allan P. Kirby, Jr., Fred M. Kirby and Charles T. Ireland, Jr., has the power to exercise a controlling influence over the management or policies of Alleghany; and (3) that Alleghany has the power to exercise a controlling influence over IDS. Said application is scheduled for hearing on March 1963 (Release IC-3637), and the matter has been consolidated for purposes of hearing with proceedings upon an application pursuant to Section 2(a)(9) of the Act filed by Randolph Phillips for a determination whether Bertin C. Gamble, Gamble-Skogmo, Inc. and General Outdoor Advertising Company collectively and/or in concert with Murchison Brothers and others control Alleghany or IDS or both.

UNITED FUNDS PURCHASE APPROVED. The SEC has issued an order under the Investment Company Act (Release IC-3636) permitting United Funds, Inc., Kansas City registered open-end investment company, to purchase up to 20,000 outstanding common shares of The Emerson Electric Manufacturing Company, which is a portion of a 162,045-share secondary offering by that company.

JACKSON-COMMERCE REALTY SEEKS ORDER. Jackson-Commerce Realty Company, a limited partnership, of New York City, has applied to the SEC for an order under the Securities Exchange Act exempting it from the duty to file annual and other periodic reports as required thereunder; and the Commission has issued an order giving interested persons until March 15, 1963, to request a hearing thereon. According to the application, the partnership has outstanding 580 limited partnership interest all but one of which are owned by Furman-Wolfson Corporation. The interests were acquired by Furman-Wolfson pursuant to an exchange offer in which its shares were issued under a Securities Act registration statement; and, as a result, the partnership's securities are now owned by only two holders. Furman-Wolfson is subject to the reporting requirements of the Exchange Act and, according to the application, will include in its reports appropriate financial statements of the partnership as a subsidiary.

JOSIAH M. KIRBY GUILTY OF CONTEMPT. The SEC Chicago Regional Office announced today (LR-2512) that Josiah Marshall Kirby, of Cleveland, Ohio, was placed on conditional probation for five years (USDC, ND, Ohio) following his plea of guilty to the offense of having been in contempt for his violation of and disobedience to a 1949 court order permanently enjoining him from acting as an over-the-counter broker or dealer without registration under the Securities Exchange Act.

SECURITIES ACT REGISTRATIONS. Effective February 19: Emerson Electric Manufacturing Co. (File 2-21033); Packard Instrument Company, Inc. (File 2-21040). Withdrawn February 19: Valu-Rack, Inc. (File 2-20335). Effective February 20: The Buckingham Corp. (File 2-21038).

*As estimated for purposes of computing the registration fee.

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