

# 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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**REGISTRATION OF EAST COAST INVESTORS REVOKED.** In a decision announced today (Release 34-7122), the SEC revoked the broker-dealer registration of East Coast Investors Co., Inc., 150 Broadway, New York, for various violations of the Securities Exchange Act. Georgette B. Murray, president and a principal stockholder of the firm, as well as Miriam Victorson, secretary-treasurer and Clifford A. Murray, husband of Georgette Murray, were each found a cause of and consented to the revocation order.

In its decision, the Commission found that Clifford Murray, although purportedly employed by the firm as its cashier and trader, actually controlled and managed its business affairs and activities from about May 1961 to April 1962. The Commission ruled that the firm's application for broker-dealer registration was accordingly false in representing that no employee or person in control had been found to have violated any provision of the securities laws when, in fact, Murray was found by the Commission in 1957, in connection with a previous registration as a broker-dealer, to have filed an incorrect financial statement in violation of the Exchange Act. The Commission also found that the firm failed to amend its registration application to disclose an order entered in May 1962 by a Federal court in Colorado enjoining the firm from violating the Securities Act registration provisions in the sale of unregistered stock of Ampet Corporation and Petron Corporation, and another order entered in May 1962 by a Federal court in New York enjoining the firm and said three persons from violating the Exchange Act registration, anti-fraud, record-keeping and financial reporting provisions. The Commission also found violations of its net capital, record-keeping and financial reporting requirements.

**JERSEY CENTRAL POWER & LIGHT PROPOSES DEBENTURE OFFERING.** Jersey Central Power & Light Company, Madison Avenue at Punch Bowl Road, Morristown, N. J., filed a registration statement (File 2-21652) with the SEC on August 21 seeking registration of \$9,000,000 of debentures due 1988, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be applied to the company's 1963 construction program (estimated at \$30,000,000) or to partially reimburse treasury for expenditures made for that purpose.

**SUBSCRIPTION TELEVISION FILES FOR STOCK OFFERING.** Subscription Television, Inc., Room 2600, One Wall St., New York, today filed a registration statement (File 2-21653) with the SEC seeking registration of 1,900,000 shares of common stock, to be offered for public sale at \$12 per share through underwriters headed by William R. Staats & Co., 640 South Spring St., Los Angeles. The underwriting terms are to be supplied by amendment. The statement also includes (1) 300,000 shares to be sold to certain shareholders who have committed themselves to purchase such stock at the public offering price, and (2) 55,000 shares which have been subscribed for at the offering price which is payable out of the proceeds due the subscribers under certain contracts between them and the company.

The company was organized under Delaware law in January 1963. It is engaged in the establishment of a subscription television system (the "STV System") in the Los Angeles and San Francisco metropolitan areas. The company plans to operate the STV System in said areas, and to establish and operate the System in other metropolitan areas of the country (subject to obtaining the necessary funds) through operating subsidiaries. The company will operate the System under a license agreement with Skiatron Electronics & Television Corp., under which the company will operate systems owned by Skiatron for the dissemination on a closed circuit subscription basis, of television and musical programs. This license was originally owned by Tolvision of America, Inc. which in turn assigned it to Program Corporation, its subsidiary. Tolvision agreed to assign all of the stock of Program Corp. to the company in exchange for 648,417 shares, making Program Corp. a wholly-owned subsidiary of the company.

The company intends to present sporting events, current movies and cultural and other special attractions to subscribers over channels in a closed circuit coaxial cable network to be leased by the company from telephone companies. According to the prospectus, the STV System will not interfere with reception of the television broadcasts now available and will not require modification of the subscriber's television set; and each subscriber will pay a fixed weekly charge and a program charge for each program which he views. The company's subsidiary, Program Corp. has entered into agreements with the San Francisco Giants and Los Angeles Dodgers baseball teams for the presentation of their games over the STV System; and the subsidiary has a contract for the services of Sol Hurok as a consultant to and negotiator for the subsidiary in securing cultural and other attractions. The prospectus states that the contracts with the two baseball teams are predicated upon the System being in commercial operation with 20,000 subscribers in the San Francisco area and 20,000 in the Los Angeles area by July 1964; and the net proceeds from the stock sale, together with the company's other resources (prior to the stock sale, the total cash investment in the company has been \$2,570,000), will be used in completing developmental work and in establishing the initial system expected to comprise 40,000 subscribers.

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In a discussion of "Speculative Factors," the prospectus states (among other things) that no subscription television system has been established on a commercial basis, as distinguished from an experimental operation; that there is no assurance that the STV System can be operated profitably, or that sufficient subscribers can be obtained to make operations profitable or permit planned expansion; that existing coaxial cable facilities of telephone companies in whose territories the STV system is to be operated cannot be used for the System and a new cable system must be installed by the telephone companies; that although the company has made arrangements with Pacific Telephone & Telegraph Company and General Telephone Company of California for detailed engineering studies of certain areas, no installation contracts have been signed and installation of the required coaxial cable network has not been commenced; and that successful operation of the STV System will be largely dependent upon the quality of the programming which can be obtained.

The company has outstanding 1,328,972 shares of common stock (acquired for cash and assets at an average cost of \$4.58 per share), of which The Reuben H. Donnelley Corporation, Lear Siegler, Inc. and Tolvision own 11.3%, 11.3% and 46.8%, respectively. By virtue of holdings by Donnelley Corp. and Lear Siegler in Tolvision, the voting power in the company held by those three companies is 19%, 19% and 26.5% respectively (and will be 10% each after this stock sale). Other principal stockholders include National Exhibition Company (the "San Francisco Giants"), 4.1%, and the Los Angeles Dodgers, Inc., 5.3%. Donald A. Petrie is president.

SECURITIES ACT REGISTRATIONS. Effective August 20: The William J. Burns International Detective Agency, Inc. (File 2-21584). Effective August 22: Rollins Broadcasting, Inc. (File 2-21577); Rusco Industries, Inc. (File 2-21618).

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