

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE October 21, 1963

**Statistical Release No. 1933.** The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended October 18, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	10/18/63	10/11/63		High	Low
Composite	149.1*	147.0	1.4	149.1	130.6
Manufacturing	140.4	137.9	1.8	140.7	121.1
Durable Goods	139.0*	136.0	2.2	139.0	116.2
Non-Durable Goods	141.7	139.9	1.3	144.3	125.8
Transportation	129.0	127.2	1.4	131.7	106.4
Utility	184.5*	183.6	0.5	184.5	170.3
Trade, Finance & Service	180.7	178.2	1.4	180.9	153.8
Mining	129.9	130.2	-0.2	135.6	104.2

\*New High

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended October 17, 1963, 15 registration statements were filed, 15 became effective, 7 were withdrawn, and 280 were pending at the week-end.

**BLAIR CLAYBAUGH CO. REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7158) revoking the broker-dealer registration of Blair F. Claybaugh & Company, of Harrisburg, Pa. The Claybaugh firm and its general partner, Blair F. Claybaugh, had consented to such revocation, provided that it would not bar the latter's employment in the securities business upon a showing that he is employed under appropriate supervision.

The action arose in consolidated proceedings involving the Claybaugh firm and seven other firms, who were charged with the offer and sale of stock of Siltronics, Inc., of Pittsburgh, in violation of the Securities Act registration and anti-fraud provisions. Jurisdiction with respect to the other parties, including Siltronics, was reserved by the Commission.

In its decision, the Commission ruled (upon the basis of a stipulation by Claybaugh and the Claybaugh firm) that the Claybaugh firm, through certain former employees in its former Pittsburgh branch office, offered and sold Siltronics stock between October 1960 and July 1961 in violation of the Securities Act registration and anti-fraud provisions. According to the decision, the firm created a false and misleading appearance with respect to the market in Siltronics stock; circulated reports that the market price would rise upon completion of the offering (under a claimed Regulation A exemption from registration), withheld substantial blocks of the offering from immediate distribution, and arranged for certain persons to purchase a substantial number of the shares at the \$2 offering price and resell them at successively higher prices to itself and others. In addition, the firm made false and misleading statements to purchasers concerning such activities, the identities of all the underwriters, the offering price, the plan of distribution, and the purchase by the firm or the right of the firm and certain of its employees to purchase 2,000 shares at 1¢ per share and the underwriting compensation to be received.

According to the decision, Claybaugh "aided and abetted the commission of these violations by his failure to supervise" the firm's employees. However, in view of the fact that Claybaugh's ability to discharge his duty to supervise was impaired by ill health, and because of other mitigating factors urged on his behalf, the Commission concluded that its action "shall not be a bar to his employment in the securities business, upon a showing to our Division of Trading and Markets that he is employed under appropriate supervision."

**PENN FUEL GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14958) (a) authorizing Penn Fuel Gas, Inc., Oxford, Pa., to purchase the capital stock of Emmitsburg Gas Co. for \$30,000; and (b) exempting Penn Fuel Gas and its subsidiaries from all provisions of the said Act.

**GENESCO FILES EXCHANGE OFFER.** Genesco, Inc., 111 Seventh Ave., North, Nashville, Tenn., filed a registration statement (File 2-21809) with the SEC on October 18, 1963, seeking registration of 100,000 shares of common stock. Genesco proposed to offer this stock to the holders of common stock of Ainsbrooke Corporation, in exchange for their shares, upon the basis of one share of Genesco stock for 5.25 shares of Ainsbrooke stock. Under terms of an agreement between the company and holders of 400,460 shares of Ainsbrooke common, Genesco has agreed to exchange 65,837 shares for 345,642 of Ainsbrooke common, or about 66% of its outstanding stock, on the basis stated. The holders of the 400,460 shares of Ainsbrooke, plus one other holder of 26,540 shares, are said to have agreed to tender all such remaining shares for exchange under the terms of

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this offer. Thus, under the agreement and the letter, an aggregate of 427,000 shares of Ainsbrooke, or over 80% of its outstanding stock, will be exchanged for common stock of Genesco. Of such shares of Ainsbrooke, 12,500 are subject to options, expiring in 1966, to purchase such shares at prices ranging from \$10 to \$13 per share.

The business of Genesco consists principally of the manufacture of apparel and footwear for men, women and children, and the sale of these products through both wholesale and retail outlets. In addition to certain indebtedness and preferred stock, the company has outstanding 3,944,269 common shares, of which management officials own 9.9%.

The registration statement includes an additional 14,000 shares of Genesco common owned by Hillsboro Enterprises, Inc. Hillsboro Enterprises now owns 17,500 shares and proposes to offer 14,000 shares from time to time on the New York Stock Exchange, at prices prevailing at the time of sale.

AMERICAN RE-INSURANCE FILES STOCK PLAN. American Re-Insurance Company, 99 John St., New York, filed a registration statement (File 2-21810) with the SEC on October 18th seeking registration of 70,345 shares of capital stock, which have been or are to be offered pursuant to the company's Employees' Stock Option Plan.

PENNSALT CHEMICALS FILES STOCK PLAN. Pennsalt Chemicals Corporation, Three Penn Center, Philadelphia, filed a registration statement (File 2-21811) with the SEC on October 18th seeking registration of 9,115 shares of common stock, to be offered pursuant to the company's Employee Stock Purchase Plan.

UNION ELECTRIC FILES FINANCING PROPOSAL. Union Electric Company, 315 North Twelfth Blvd., St. Louis, Mo., today filed a registration statement (File 2-21812) seeking registration of \$30,000,000 of First Mortgage Bonds due 1993 and 200,000 shares of Preferred Stock. It is proposed to offer both issues for public sale at competitive bidding, which will determine the interest and dividend rates, public offering prices and underwriting terms. Net proceeds will be used for the retirement of some \$31,000,000 of bank loans incurred to meet in part the company's 1962-63 construction costs, to finance the cost of continuing additions to property and plant, and for other corporate purposes. About \$45,000,000 of construction expenditures are budgeted for 1963 and \$105,000,000 for 1963-64.

MASS. ELECTRIC PROPOSES BOND OFFERING. Massachusetts Electric Company, 441 Stuart St., Boston, today filed a registration statement (File 2-21813) with the SEC seeking registration of \$10,000,000 of First Mortgage Bonds, Series H, due 1993, to be offered for public sale at competitive bidding. Net proceeds of the bond sale are to be applied to the payment of a like amount of short-term notes evidencing borrowings for construction or to reimburse the company's treasury therefor.

SECURITIES ACT REGISTRATIONS. Effective October 21: Denny's Restaurants, Inc. (File 2-21660); Electronic Wholesalers, Inc. (File 2-21791); Equity Funding Corporation of America (File 2-20775); The Hoover Co. (File 2-21699); The New Fund Inc. (File 2-21657); O'Malley Investing Corp. (File 2-21636); Redman Industries, Inc. (File 2-21706).

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