

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 June 12, 1962

VIOLATIONS CHARGED TO WODE & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Wode & Company, Inc., 1521 Cleveland Place, Denver, Colo., engaged in practices which operated as a "fraud and deceit" upon certain persons and, if so, whether its broker-dealer registration should be revoked.

The said company ("registrant") has been registered with the Commission as a broker-dealer since July 12, 1961. Edward Earl Wode, Jr. is president and beneficial owner of 10% or more of its common stock. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that in the offer and sale of stock of Green Shield Plan, Inc., ("GSP") from August 1961 to May 10, 1962, registrant, Wode and registrant's employees, Marvin Beckwith, Thomas B. Searls and Gordon D. Shuck, "engaged in transactions, acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," in violation of the anti-fraud provisions of the Federal securities laws, in that they (1) entered orders for the purchase and sale of GSP stock in fictitious and nominee names in order to manipulate and control the market in such stock, and (2) made false and misleading statements of material facts concerning the value of GSP stock, increase in price of such stock, the safety of an investment in the stock, future prospects of GSP, the length of time registrant has been in the securities business, and registrant's repurchase of GSP stock from investors at a price at least equal to what the investors originally paid. Violations of the Commission's net capital and record keeping rules and of Regulation T are also charged.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether registrant's broker-dealer registration should be revoked. Registrant is a member of the National Association of Securities Dealers, Inc.; and one of the issues in these proceedings is whether it also should be suspended or expelled from NASD membership. (NOTE TO PRESS. Copies of foregoing also available in SEC Denver Regional Office)

SEC ORDER CITES ANNE ROBIN, THE PROFITMAKER. The SEC has ordered proceedings under the Investment Advisers Act of 1940 to determine whether Anne Caseley Robin, doing business as The Profitmaker (the "registrant"), P. O. Box 1417, Coral Gables, Fla., engaged in "fraudulent, deceptive or manipulative" acts and practices and, if so, whether her registration as an investment adviser should be revoked.

Registrant has been registered with the Commission as an investment adviser since January 13, 1962. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that registrant's husband, Ben Robin, directly or indirectly exercised or had the power to exercise a controlling influence over her management or policies; and that registrant, aided and abetted by Ben Robin, violated the provisions of the said Act by failing to amend her registration application to correct a disclaimer of the existence of any such influence. The staff also charges that registrant and Ben Robin engaged "in acts, practices, or a course of business which was fraudulent, deceptive, or manipulative" by publishing, circulating and distributing advertisements which contained untrue statements of material facts or were otherwise false and misleading with respect to the performance of past recommendations of registrant, the number of new subscriptions received by registrant, the prospects for price increases of securities recommended by registrant, and the number and qualifications of registrant's staff. Further violations of the Act are charged, including false and misleading statements with respect to government contracts of Wilcox Electric Company, the purchase of whose stock was recommended by registrant; and refusal to make certain memoranda available for examination by representatives of the Commission.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether registrant's investment adviser registration should be revoked. (NOTE TO PRESS. Copies of foregoing also available in SEC Miami Branch Office)

REAL ESTATE INVESTMENT REPORT PRESCRIBED. The SEC has adopted new rules (Rule 13a-15 and 15d-15) and a new form (Form 7-K) requiring the filing of quarterly reports by certain companies whose business is primarily that of acquiring and holding for investment real estate or interests in real estate or interests in other companies primarily engaged in such business. The new reports, which relate to cash distributions made to shareholders and related data, are required to be filed by such companies which have securities listed on a national securities exchange or which are subject to the reporting requirements of Section 15(d) of the Securities Exchange Act of 1934. The new reports are not required to be filed, however, by any such company which is an investment company registered under the Investment Company Act of 1940 or which is a partnership all of whose properties are under long term lease to other persons. The reports are required to be filed within 45 days after the end of the fiscal quarter to which they relate. (Release 34-6820)

MOTORS BUILDING REALTY GRANTED EXEMPTION. The SEC has issued an order pursuant to Rule 15d-20 under the Securities Exchange Act of 1934, exempting Motors Building Realty Company, of New York City, from the obligation to file annual and other periodic reports. According to the company's exemption application, all its general partnership interests and 97.7% of its limited partnership interests are owned by Glickman Corporation. The number of record holders of the latter is twenty-five; and the Realty Company has agreed to furnish upon request of any such holder an annual report, including financial statements.

WAYNE M. MANN INDICTED. The SEC Chicago Regional Office announced June 4th (Lit-2284) the return of an indictment (USDC, Chicago) charging Wayne M. Mann of Shattue, Ill., and Citrus Heights, Calif., with violating the Securities Act registration and anti-fraud provisions in certain mining interests.

C.I.A. INC. ENJOINED. The SEC Chicago Regional Office announced June 7th (Lit-2285) the entry of a Federal court order (USDC, Chicago) permanently enjoining C.I.A., Inc., and Patrick Wagner from further violations of the Securities Act registration requirement in the sale of C.I.A. Inc. stock.

PRECISION MICROWAVE TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Precision Microwave Corp. on the American Stock Exchange and over-the-counter market for a further ten-day period June 13 to 22, 1962, inclusive.

WESTERN POWER & GAS FILES FOR STOCK OFFERING. Western Power & Gas Company, 144 South 12th Street, Lincoln, Nebr., today filed a registration statement (File 2-20459) with the SEC seeking registration of 150,000 shares of cumulative preferred stock (no par), to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York, and two other firms. The dividend rate, public offering price (maximum \$50 per share*) and underwriting terms are to be supplied by amendment. The net proceeds from the stock sale will be used to prepay \$2,500,000 of \$10,000,000 outstanding bank notes due 1964, to redeem outstanding 4 1/2% convertible subordinated debentures due 1970 (which have not been converted into common stock prior to the date of redemption), for construction expenditures of the company, for construction advances to subsidiaries and further investment in the common stock of subsidiaries, and for other corporate purposes. Construction expenditures of the company and its subsidiaries for the 18 months ending September 1963 are estimated at \$5,000,000 (company) and \$40,500,000 (consolidated). In addition to various indebtedness and preferred stock, the company has outstanding 2,760,746 shares of common stock, of which management officials as a group own about 1.6%. Max McGraw is board chairman and Judson Large is president.

NEW 1934 ACT RULES PAMPHLET. A revised and up-dated pamphlet, "General Rules and Regulations under the Securities Exchange Act of 1934," as in effect April 15, 1962, is available for purchase at 50¢ per copy from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

UNILUX FILES FOR STOCK OFFERING. Unilux, Inc., 120 Liberty Street, New York, today filed a registration statement (File 2-20458) with the SEC seeking registration of 40,000 shares of Class A stock, to be offered for public sale at \$10 per share. No underwriting is involved. At least 17,500 shares must be sold or the offering will terminate and proceeds will be returned to subscribers without any deductions.

Organized in June 1961, the company in February 1962 acquired from its two principal officers certain designs for an electronic flash system, consisting of an independently operative main unit and various related components of the system. The main unit is said to be capable of producing an intense light, which can be used for the lighting needs of commercial and industrial photographers, the graphic arts industry, and research laboratories. Thus far, the company has produced two prototypes of the main unit and anticipates that it will be able to enter into production within 15 weeks after the sale of 17,500 shares. Of the net proceeds from the stock sale, \$161,000 will be used to purchase materials and the balance to acquire fixed assets, for payroll for six months (including \$6,000 each to the two principal officers), and for overhead, sales promotion and advertising, research and development, and general and administrative expenses.

In addition to certain indebtedness, the company has outstanding 57,000 shares of Class B stock, of which Richard Sequerra, president, and Arnold Lowenthal, executive vice president, own 42.1% each and management officials as a group 100%. Sequerra and Lowenthal transferred to the company certain plans, designs and prototypes, with respect to which they had made expenditures totalling \$6,737, and tools and other equipment, which had a fair value of at least \$8,626, and paid to the company \$240 each for their stock. Assuming all the Class A shares are sold, and certain outstanding notes, as well as the Class A shares, are converted into Class B shares, present stockholders (and noteholders) will own 60% of the outstanding stock for cash and assets totalling \$25,933 and the public will own 40% for an investment of \$400,000. Sale of the new stock to the public at \$10 per share will result in an increase in the book value of stock now outstanding (assuming said conversions) from 28¢ to \$3.98 per share with a resulting dilution of \$6.02 per share in the book equity of stock purchased by the public.

SECURITIES ACT REGISTRATIONS. Effective June 12: ADR's of The Rio Tinto - Zinc Corporation Ltd. (File 2-20406); Container Corp. of America (File 2-20393); Gas Hills Uranium Co. (File 2-18886); Rona Plastic Corp. (File 2-19464). Withdrawn June 12: Duro-Test Corp. (File 2-20217).

*As estimated for purposes of computing the registration fee.