

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 64-1-16)

FOR RELEASE January 24, 1964

SEC ORDER CITES GODDARD & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 involving the broker-dealer firm of J. H. Goddard & Co., Inc., of 85 Devonshire Street, Boston.

The proceedings are based upon staff charges that the Goddard firm, together with James H. Goddard, Sr., president and principal stockholder, James H. Goddard, Jr., vice president, George G. Mirageas, also a vice president, and Carleton Davenport, a salesman, in connection with their purchase and sale of common stock of United Security Life Insurance Co., of Birmingham, Ala., engaged in activities violative of the registration, anti-fraud and anti-manipulative provisions of the Federal securities laws. The staff's allegations include charges relating to trading in United Stock by the said firm and individuals, during the period December 1961 to March 1963, involving total purchases aggregating approximately 390,000 shares (of which 100,000 shares were purchased from insiders or control persons, 190,000 from dealers, and 100,000 from firm customers), and sales aggregating approximately 360,000 shares (of which 54,000 shares were sold to other dealers and 306,000 at retail to customers).

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence on the staff charges to determine whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

TWO OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to the following:

(a) **Fort Apache Oil & Gas, Inc., Yuma, Ariz.**

In its notification filed in November 1963, Fort Apache Oil proposed the public offering of 300,000 common shares at \$1 per share

(b) **Transport Industries, Incorporated, Albion, Pa.**

Transport's notification, filed in February 1962, proposed the offering of 75,000 common shares at \$4 per share

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. The Commission's suspension orders with respect to Fort Apache Oil and Transport are based upon the alleged failure to comply with certain terms and conditions of Regulation A, including assertions that Fort Apache Oil's offering circular fails to disclose certain material facts and that Transport's offering circular was false and misleading in respect of certain material facts. The orders provide an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

With respect to Fort Apache Oil, the Commission's order asserts that there was a failure to disclose (among other things) the speculative aspects and risk features of the company's business and the interests of and benefits to be derived by one of the promoters in other leaseholds adjacent to those of Fort Apache Oil. Concerning Transport, the Commission challenges the valuation placed on shop machinery and equipment, tools and furniture; the non-disclosure of the company's failure to file tax returns in 1960 and 1961; the failure to disclose that the company did not maintain proper corporate records and did not follow recognized inventory pricing methods; and the failure to disclose that most if not all orders for future delivery were from an affiliated company.

INSURANSHARES SEEKS ORDER. Insuranshares Certificates Incorporated, Baltimore, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in that Act; and the Commission has issued an order (Release IC-3901) giving interested persons until February 12th to request a hearing thereon. According to the application, the company's stockholders in December 1962 adopted a plan for its liquidation and dissolution after distribution of its assets. A receiver now holds \$71,332.08 for 48 shareholders who own certificates for 1,244 shares which have not been surrendered for payment pursuant to the plan.

CHRISTOPHER & CO. ENJOINED, RECEIVER APPOINTED. The SEC New York Regional Office announced January 17 (LR-2825) the entry of a Federal court order (USDC SDNY) permanently enjoining violations of the Commission's net capital rule by Christopher & Co., Inc., 99 Wall St., New York. Also enjoined were Harvey R. Fenichel, President, and William V. Simone, secretary-treasurer. The court named Harris J. Amhowitz as receiver of the assets of the firm. The defendants consented to the injunction.

SEC COMPLAINT NAMES MUSEKAMP & CO. The SEC Chicago Regional Office announced January 21 (LR-2826) the filing of court action to enjoin further violations of the anti-fraud, net capital, bookkeeping and hypothecation provisions of the Federal securities laws by G. H. Musekamp & Co. and its president, George H. Musekamp, of Cincinnati, and for the appointment of a receiver of the defendant firm.

OVER

TEVYE CO. PROPOSES OFFERING. Tevye Company, 630 Fifth Ave., New York City, filed a registration statement (File 2-22029) with the SEC on January 22 seeking registration of \$376,000 of Limited Partnership Interests, to be offered in \$7,500 units without underwriting. The general partners will be Rob-Hal, Inc., Sonjud Theatrical Enterprises, Inc., and Carl Fisher, all of New York. The partnership will acquire from Rob-Hal the rights to "TEVYE", the present title of an original musical comedy with book by Joseph Stein, music by Jerrold Bock and lyrics by Sheldon Harnick, all in collaboration with Jerome Robbins. It is based on the TEVYE folk stories of Sholom Aleichem and a play by Arnold Perl, based on said stories. The partnership was formed for the purpose of managing and producing the musical. Robbins will act as director and choreographer.

A T & T PROPOSES RIGHTS OFFERING. American Telephone and Telegraph Company, 195 Broadway, New York, today filed a registration statement (File 2-22030) with the SEC proposing the offering of additional shares of its common stock for subscription by stockholders of record at the close of business February 18, 1964, and at the rate of one new share for each 20 shares then held (the number of shares to be offered is expected to approximate 12,250,000). No underwriting is involved; and the subscription price is to be supplied by amendment.

The company intends to use the proceeds for advances to subsidiary and associated companies; for the purchase of stock offered for subscription by such companies; for extensions, additions and improvements to its own telephone plant; and for general corporate purposes. The company and its subsidiaries have been making large construction expenditures to meet the demand for communication services and to improve such services. Construction expenditures for the company and its principal telephone subsidiaries approximated \$3,100,000,000 for the full year 1963 and are estimated at \$3,250,000,000 for 1964.

RELIANCE ELECTRIC FILES STOCK PLAN. The Reliance Electric and Engineering Company, 24701 Euclid Ave. Cleveland, today filed a registration statement (File 2-22031) with the SEC seeking registration of 20,000 common shares, to be offered pursuant to its Stock Purchase Plan.

SECURITIES ACT REGISTRATIONS. Effective January 23: Laurentide Financial Corporation, Ltd. (File 2-21716).

ORAL ARGUMENTS, COMING WEEK. January 28, 2:30 P.M. Armstrong & Co., Inc. - Benjamin Saporta & Co.
January 28, 3:30 P.M. Great Lakes Industries, Inc.

---oooOooo---