

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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REGISTRATION OF RONALD MARK & CO. REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7054) revoking the broker-dealer registration of Ronald Mark & Co., Inc., 40 Exchange Place, New York. Sidney Simon, its president and principal stockholder, and Leonard Geller, Max Tannenbaum and David Winston, former salesmen, were each found a cause of the revocation order.

In its decision, the Commission sustained findings by its hearing examiner that in the offer and sale of common stock of Trans Central Industries, Inc. during November 1960 - March 1961, the Mark & Co. firm, aided and abetted by said persons, violated the anti-fraud provisions of the Federal securities laws in that they offered and sold such stock to public investors outside the State of New York through the use of "boiler room" sales tactics, including the making of long distance telephone solicitations by said salesmen in which they made false and misleading statements of material facts with respect to the stock. Some 16 persons who purchased Trans Central stock at prices of \$1.75 to \$1.85 per share testified that they had been solicited by one or another of the said persons by long-distance telephone in which representations were made that the price of the stock would double or triple or go as high as \$6 per share in a short period, that the company was about to acquire certain property, that it was the exclusive distributor on the East Coast for the products of a very large concern, that it was going to expand into the electronics field, that it had earnings or would pay dividends of about 40¢ per share, and that Mark & Co. had been in business for a long time and that a brother of the salesman had purchased a substantial block of Trans Central stock for himself. The Commission found that these representations were all false and misleading and without any reasonable basis. The Commission found with respect to the promised 40¢ per share dividend, that Trans Central had never paid or been in a position to pay such dividends nor had it had earnings of that amount. To the contrary, it had a capital deficit of \$23,608 as of September 1960 and of \$31,065 as of March 1961; and the Commission observed that Simon was aware of the deficit when Mark & Co. began its sales campaign and there was no evidence that he instructed the salesmen to disclose this fact to investors (and they in fact were not told).

The Commission also found that in July 1961, Mark & Co. and said persons (except Winston) were preliminarily enjoined by a Federal court in New York from further violations of the said anti-fraud provisions in the sale of Trans Central stock, and that Mark & Co. failed to amend its registration application to disclose the entry of this injunction.

NYLONET SUSPENSION MADE PERMANENT. The SEC today made permanent its October 1961 order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering by Nylon Corporation, a Miami, Florida company, of 470,000 common shares at 50¢ per share. In October 1959, Nylonet filed a report of stock sales stating that 347,345 shares had been sold from February through October 1959 and that the offering with respect to the remaining 122,655 shares had been discontinued. The Commission found that the company's offering circular contained false and misleading statements of material facts with respect to the financial condition of the company and with respect to the intended use of the proceeds, and that its subsequent report of stock sales was also false and misleading with respect to the actual use of the proceeds; and the Commission held that the offering was made in violation of the Securities Act anti-fraud provisions.

With respect to the financial statements of the company, the Commission found that they falsely stated that net sales had increased from \$310,737 in 1957 to \$486,420 in 1958, whereas in fact sales in 1958 were lower than in 1957, the \$177,897 overstatement resulting from the inclusion in December 1958 in accounts receivable of false and fictitious receivables in that amount. As a result of this overstatement, the financial statements were false and misleading in numerous other respects. Moreover, according to the order, although the false December 1958 sales figures were reversed by offsetting "credits" in March 1959, an amended offering circular filed in May 1959 included the same false and misleading statements based on the overstatement of sales. The Commission also found that whereas the offering circular stated that, of the net proceeds from the offering, \$50,000 would be used for new equipment and \$50,000 for inventory, in fact only \$5,065 was spent for new equipment and only \$29,022 for inventory materials (out of \$141,560 of net proceeds). Moreover, the subsequent report of stock sales falsely stated that \$26,438 had been spent for purchase and installation of machinery and equipment and \$90,791 for purchase of materials, inventories and supplies.

CORPORATE WORKING CAPITAL REPORTED. The SEC announces (For April 15th Newspapers) that the net working capital of U. S. corporations continued to rise during 1962 reaching a new high of \$144.5 billion as of the end of the year according to the estimates made public today by the Securities and Exchange Commission. The increase in net working capital last year amounted to \$7.1 billion, compared with \$8.3 billion the previous year, and reflected a rise in current assets of \$19.7 billion, partly offset by an increase in current liabilities of \$12.6 billion. Of the total increase in net working capital last year, \$2.4 billion took place in the fourth quarter. For details see Statistical Release No. 1894.

COMPLAINT CITES THOMAS OIL CO. The SEC Denver Regional Office announce April 10 (LR-2579) the filing of court action (USDC, Colo.) seeking to enjoin Jack A. Thomas and Geneva D. Thomas, individually, and doing business as Thomas Oil Company, of Independence, Kansas, and LeRoy A. Duke, of Denver, from further violations of the Securities Act anti-fraud provisions in the offer and sale of fractional undivided interests in certain oil and gas leases located in Kansas.

OVER

JEAN R. VEDITZ CO., OTHERS, INDICTED. The SEC New York Regional Office announced April 6 (LR-2580) the return of a ten-count indictment (USDC, NY) charging Jean R. Veditz, Murray Porter, Allen Soltz and Jean R. Veditz Co., Inc., all of New York City, with violations of the Securities Act anti-fraud provisions in the sale of common stock of Mono-Kearsarge Consolidated Mining Co.

COLUMBIA BROADCASTING SYSTEM FILES STOCK PLAN. Columbia Broadcasting System, Inc., 485 Madison Ave., New York, filed a registration statement (File 2-21311) with the SEC on April 9 seeking registration of 60,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

STANDARD OIL FILES SAVINGS PLAN. Standard Oil Company, 910 South Michigan Ave., Chicago, filed a registration statement (File 2-21312) with the SEC on April 10 seeking registration of \$100,000,000 of participations in its Employee Savings Plan, and 1,818,182 shares of capital stock which may be acquired pursuant thereto.

ELFUN TRUSTS FILES FOR OFFERING. Elfund Trusts, 570 Lexington Ave., New York, filed a registration statement (File 2-21301) with the SEC on April 8 seeking registration of \$12,506,940 of trustees' certificates, to be offered for sale at net asset value generally to executives, officials, leading employees, persons on retainer and former employees of, and certain others associates with, the General Electric Company and/or its subsidiary or controlled companies.

STANDARD OIL FILES THRIFT PLAN. Standard Oil Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-21313) with the SEC on April 9 seeking registration of \$70,000,000 of participations in its Thrift Program, and 1,095,890 capital shares which may be acquired pursuant thereto.

THE JANUS FUND FILES FOR STOCK OFFERING. The Janus Fund, Incorporated, 467 Hamilton Ave., Palo Alto, Calif., filed a registration statement (File 2-21314) with the SEC on April 10 seeking registration of 500,000 shares of capital stock, to be offered for public sale at net asset value plus a sales charge of 8½%. The Fund was organized in July 1962 as an open-end diversified management investment company whose primary purpose is "to provide a convenient means by which investors may secure participation in equities with capital growth potential and also benefits of diversification and professional supervision of their invested funds." Its basic policy is to invest primarily in securities of American industry and business believed to have a strong potential for long-term capital appreciation, and to diversify such investments among industries and companies selected for that purpose. Mutual Fund Distributors, Inc., of Palo Alto, is the Fund's principal underwriter and the firm of Melrose H. Tappan III will act as its investment adviser (subject to stockholder approval). Sydney D. Ackermann is president of the Fund and of the underwriter, and Melrose H. Tappan III is vice president of the Fund and of the underwriter.

UPPER PENINSULA POWER FILES FOR STOCK OFFERING. Upper Peninsula Power Company, 616 Sheldon Avenue, Houghton, Michigan, filed a registration statement (File 2-21315) with the SEC on April 11 seeking registration of 34,000 shares of common stock, to be offered for public sale by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York, and two other firms. The public offering price (maximum \$30 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the electric utility business in the upper peninsula of Michigan, and it also engages in the sale of electric appliances. The net proceeds from the stock sale, together with proceeds from the sale of \$6,000,000 of preferred stock and bonds to institutional investors, will be used to redeem \$2,820,000 of 5½% first mortgage bonds due 1987 (at 105.04%), to redeem 6,670 shares of 5½% series preferred stock (\$100 par) at \$103.50 per share, to redeem 7,840 shares of 5-3/4% series preferred stock (\$100 par) at \$104 per share, to pay outstanding short-term bank loans incurred for construction purposes, and to provide funds for the company's 1963 construction program (estimated at \$2,625,000). In addition to various indebtedness and preferred stock, the company has outstanding 549,000 shares of common stock. John H. Warden is president.

ABERDEEN MANAGEMENT FILES FOR OFFERING. Aberdeen Management Corporation, 15 William St., New York, depositor for Aberdeen Investor Programs, filed a registration statement (File 2-21316) with the SEC on April 11 seeking registration of \$5,000,000 of Systematic Programs (with and without insurance) and Fully Paid Programs.

PROVIDENT STOCK FUND FILES FOR STOCK OFFERING. Provident Stock Fund, Inc., 316 North Fifth Street, Bismarck, North Dakota, filed a registration statement (File 2-21317) with the SEC on April 11 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8½%. The Fund was organized under Maryland law in February 1963 and is an open-end investment company whose objective is to provide diversification and continuous supervision for the common stock portion of the investment program of individuals and other investors. Substantially all of its assets will be invested in common stocks of well established companies in sound financial condition, selected on the basis of Fund management's estimate of value in relation to market price. Provident Management Company has been retained to act as the Fund's investment adviser and manager as well as principal underwriter. Henry A. Jones is president of the Fund and its manager, and they have other common management officials.

ADR'S FOR INTERNATIONAL PUBLISHING FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-21318) with the SEC on April 11 seeking registration of 80,000 American Depositary Receipts for ordinary registered shares of International Publishing Corporation Limited, an English company.

SECURITIES ACT REGISTRATIONS: Effective April 11: National Aviation Corporation (File 2-21162); Phillips Petroleum Company (File 2-21182). **Withdrawn April 11:** The Golden Pagoda, Inc. (File 2-20067).

*As estimated for purposes of computing the registration fee.

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