

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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FLORIDA POWER FILES FOR RIGHTS OFFERING. Florida Power Corporation, 101 Fifth Street South, St. Petersburg, Florida, filed a registration statement (File 2-21690) with the SEC on September 10 seeking registration of 457,265 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each 20 shares held of record on October 10, 1963. Unsubscribed shares are to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., both of New York. The subscription price (maximum \$42 per share*) and underwriting terms are to be supplied by amendment.

The company is an operating public utility engaged in the production, transmission, distribution and sale of electricity in northern and central Florida. The net proceeds from the stock sale will be used to pay \$18,000,000 of temporary bank loans incurred to meet construction expenditures, and the balance, if any, will be applied to the 1963 construction program, estimated at \$41,700,000. In addition to various indebtedness and preferred stock, the company has outstanding 9,145,305 shares of common stock. W. J. Clapp is president.

NORTHWESTERN STEEL AND WIRE FILES STOCK PLAN. Northwestern Steel and Wire Company, Avenue B and Wallace St., Sterling, Illinois, filed a registration statement (File 2-21691) with the SEC on September 9 seeking registration of 100,000 shares of common stock, to be offered pursuant to its Employee Stock Purchase Plan.

ADVISER REGISTRATION OF ANNE CASELEY ROBIN REVOKED. In a decision announced today (Release IA-149), the SEC revoked the investment adviser registration of Anne Caseley Robin, doing business as The Profitmaker, P.O. Box 1417, Coral Gables, Florida, for publication of investment advise "consisting of entirely unverified rumor" in violation of the anti-fraud provisions of the Investment Advisers Act of 1940.

In its decision, the Commission found that Anne Caseley Robin, aided and abetted by her husband, Ben Robin, violated the anti-fraud provisions of the said Act in connection with their publication of a weekly market letter called "The Profitmaker," containing analyses, opinions and predictions prepared primarily by Ben Robin, in that they circulated advertisements which contained false and misleading statements that (1) the market letter was staffed by expert analysts and experienced lawyers, consultants and CPA's, and (2) that "each stock discussed in the Profitmaker has the potential of advancing 100% within 12 months." The Commission also found that they made false and misleading statements concerning their recommendation in the Profitmaker of the stock of Wilcox Electric Company, Inc. in which they stated that they had uncovered "something big," that they learned from an "excellent source that Wilcox, which had sales of \$5,000,000 the previous year, had just received a \$50,000,000 government contract, and that if the tip were true the stock "could double overnight on the announcement." The Commission observed that the Robins did not seek verification of the tip and in fact there was no truth in it.

The Commission observed that the duty to exercise a high degree of care to insure accurate and adequate representations concerning securities discussed in printed advisory material distributed by a broker-dealer applies with at least equal force to a registered investment adviser who seeks clients on the basis of representations that he is competent to furnish expert and informed investment advice. The Commission further stated that "the dissemination of investment advice, prepared irresponsibly or recklessly in violation of this duty not only operates as a fraud on the clients of the investment adviser but, as pointed out in the Report of the Special Study of Securities Markets, such investment advice can generate a chain reaction of market interest resulting in severe losses for many investors." The Commission noted that the Robins' publication of investment advice consisting of entirely unverified rumor created just such a potential for harm, and it further observed that the danger of investor reliance is not dissipated by qualifications such as that appearing at the end of their market letter in fine print stating that "information in this letter is not guaranteed but is gathered from sources we believe to be accurate." The use of such a legend, the Commission continued, suggests the employment of careful procedures in the preparation of the market letter and may serve to enhance the deception caused by the publication of unverified information in the guise of informed investment advice.

The Commission also found that Anne Robin's application for registration failed to reflect the fact that Ben Robin had the power to and did exercise a controlling influence over the registrant, Anne Caseley Robin, and that they violated the recordkeeping requirements of the Act in refusing to make available for examination by the staff any records containing information concerning the source of the tip with respect to Wilcox.

SECURITIES ACT REGISTRATIONS. Effective September 9: Vulcan Materials Co. (File 2-21549).
Effective September 11: Handleman Company (File 2-21607); King Solomon Mining Co. (File 2-19860); Tektronix, Inc. (File 2-21635).

*As estimated for purposes of computing the registration fee.

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