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TWO FIRMS' REGISTRATIONS REVOKED. The SEC today announced the issuance of decisions (Release 34-7180 and 34-7181, respectively) revoking the broker-dealer registrations of (1) Corporate Underwriters Co., 5133 N. Central Ave., Phoenix, Ariz., and (2) Futures Unlimited of Florida, Inc., of 3280 Ponce de Leon Blvd., Coral Gables, Fla.

The Commission ruled that Corporate Underwriters had violated the anti-fraud provisions of the Securities Act in effecting certain transactions in the sale of stock of General Trust Corporation, W. J. Meehan Securities Corporation, Arizona Color Film Processing Laboratories, Inc., and Mechanical Enterprises, Inc. Ernest A. Ragland, Jr., president, William T. Sirofchuck, secretary-treasurer, and Frank Adams were found to have aided and abetted the violation; and each was found to be a cause of the revocation order.

In the case of Futures Unlimited, the Commission found that the said firm violated the anti-fraud provisions of the Securities Act in the offer and sale of securities of the firm by means of numerous false and misleading statements. In addition, the firm violated the Commission's record-keeping and net capital rules; and it was enjoined by Federal court order in May 1963, with its consent, from violating the net capital rule. Eugene Joseph Dunnigan, president, was found to have aided and abetted the violations and to be a cause of the revocation order.

NASD DISCIPLINE AFFIRMED. In a decision announced today (Release 34-7182), the SEC affirmed action of the National Association of Securities Dealers, Inc., in censuring L. H. Rothchild & Co., 52 Wall St., New York, and fining it \$1,200 for violating the NASD's interpretation of its Rules of Fair Practice with respect to "free-riding" and "withholding." The said Rothchild firm was a member of selling groups formed (a) in April 1960 for the public distribution of common stock of Microdot, Inc., at an initial offering price of \$14.25 per share and (b) in January 1961 for distribution of 67,000 shares of common stock of Heinicke Instruments Company at an initial offering price of 7 $\frac{1}{2}$. The firm received an allotment of 50 shares of Microdot stock, which it made no effort to sell but instead placed in its trading account. The first obtainable quotation for Microdot shares after the commencement of the public offering was 16-3/4 and 17-1/4 asked. It also received a 500-share allotment of Heinicke stock, which was sold to the wives of its two partners, to its analyst, to the wife of a salesman for another firm, and to the daughter of a person associated with one of the underwriters. The first quotation of the Heinicke stock was 16-3/4 bid and 17-1/4 asked.

The Commission sustained the NASD finding that this conduct violated the NASD's interpretation of its rules with respect to "free-riding" and "withholding," which states that members "have an obligation to make a bona fide public offering, at the public offering price, of securities acquired by a participation in any distribution, whether acquired as an underwriter, a selling group member, or from a member participating in the distribution as an underwriter or selling group member." In affirming the NASD action, the Commission rejected arguments of the Rothchild firm that the rule did not apply to it because it is principally engaged in the business of making markets in over-the-counter securities and virtually all its business is conducted with brokers and other dealers.

SEC ORDER CITES ELIZABETH SECURITIES, INC. The SEC, upon the basis of certain allegations of its staff, has ordered administrative proceedings under the Securities Exchange Act of 1934 to determine whether Elizabeth Securities, Inc., One Broad St., Elizabeth, N. J., engaged in certain activities violative of the anti-manipulative provisions of the Federal securities laws and, if so, whether any remedial action is necessary or appropriate in the public interest.

The activities of the respondent firm complained of by the staff involve its transactions in the common stock of Savant Instruments, Inc., during June and July 1963. In a notification filed by Savant Instruments on July 5, 1963, it was proposed to make a public offering of 15,000 shares of Savant Instruments common stock at prevailing market prices (13,000 on behalf of Elizabeth Securities) pursuant to a Regulation A exemption from registration under the Securities Act of 1933. The Regulation A exemption was temporarily suspended by Commission order of September 4, 1963; and a hearing is scheduled for December 9, 1963, in the Commission's New York Regional Office on the question whether the suspension order should be vacated or made permanent. The proceedings with respect to Elizabeth Securities have been consolidated for purposes of hearing, commencing December 9th, with the proceedings involving Savant Instruments.

ALBERT J. HAHN SENTENCED. The SEC Denver Regional Office announced on November 21 (LR-2788) that Albert J. Hahn of Boise, Idaho (formerly of Casper, Wyoming), had been sentenced (USDC, Cheyenne) to serve an 18-month prison term. Hahn previously had pleaded guilty to 13 counts of a 26-count indictment charging him with violations of the anti-fraud provisions of the Securities Act of 1933, the mail fraud statute, and the conspiracy statute in connection with the sale of common stock of Ete-n-Run, Inc., a Wyoming corporation. (Another defendant, Herman L. Schuh, died prior to arraignment.) Execution of the sentence of Hahn was stayed until December 2, 1963.

OVER

PAUL E. McDANIEL GUILTY. The SEC Fort Worth Regional Office announced on November 23 (LR-2789) that Paul E. McDaniel was found guilty by a federal court jury (USDC, SD Texas) on 47 counts charging the fraudulent sale of unregistered securities of Ambrosia Minerals, Inc., and conspiracy to violate the federal securities laws. Hinton Haynes, an employee of defendant McDaniel, and Calvin L. Allen were acquitted. Defendant George A. Mellen is a fugitive in Brazil.

V. K. OSBORNE, ET AL., ENJOINED. The SEC San Francisco Regional Office announced on November 22 (LR-2790) the entry of a federal court order (USDC, SD Calif.) preliminarily enjoining (upon consent) V. K. Osborne & Sons, Inc., Beverly Hills, Calif., and V. K. Osborne, its president, from engaging in acts and practices in violation of the Commission's record-keeping, financial reporting, and anti-fraud rules. The court also entered an order appointing Odell S. McConnell as receiver of the assets and property of the Osborne firm.

J. CLINTON BUTLER SENTENCED. The SEC San Francisco Regional Office announced on November 22 (LR-2791) the sentencing (USDC, Birmingham, Ala.) of J. Clinton Butler, of Huntsville, Ala., to imprisonment for one year and one day. The sentence was suspended, and Butler was placed on probation for two years. Butler had pleaded nolo contendere to a federal court indictment (USDC, Las Vegas) charging him with violations of the registration and anti-fraud provisions of the Securities Act of 1933. The indictment was dismissed as to the defendant corporation, Diversified Investment Corporation.

HOMER E. BURTON ENJOINED. The SEC San Francisco Regional Office announced on November 27 (LR-2792) the entry of a federal court order (USDC, Las Vegas) permanently enjoining (upon consent) Homer E. Burton from further violations of the registration and anti-fraud provisions of the Securities Act of 1933 in the offer and sale of securities of Visutronics Corporation of America. A preliminary injunction was entered (after hearing) against other defendants named in the Commission's complaint, and a further hearing as to these defendants is anticipated early next year. These defendants are Visutronics Corporation of America, M. E. Parobek & Associates, Inc., Michael E. Parobek, Frank Lord, and Morris Earle.

ALAN C. SPRINGER SENTENCED. The SEC Fort Worth Regional Office announced November 27 (LR-2793) that Alan C. Springer of Little Rock, Ark., had received a five-year sentence for fraud in the sale of securities of Arkansas Business Development Corp. The sentence is to run concurrently with a similar sentence which Springer received at Bismark, N. Dak., for violations of the mail fraud statute.

ROBT. A MARTIN ASSOCIATES ENJOINED. The SEC New York Regional Office announced December 2 (LR-2794) the entry of a federal court order (USDC SD NY) permanently enjoining (on consent) Robert A. Martin Associates, Inc., 680 Fifth Ave., New York, Robert A. Martin, Stanley L. Hilton, and Arthur A. Hilton, from further violations of the SEC net capital rule. Associates and Martin also were enjoined from certain violations of the anti-fraud provisions of the Securities Exchange Act.

INVESTMENT COMPANY EXEMPTED. The SEC has issued an order under the Investment Company Act of 1940 (Release IC-3837) declaring that Protected Investors of America Trust 1937, Russ Bldg., San Francisco, has ceased to be an investment company.

HAYDOCK FUND SEEKS ORDER. Haydock Fund, Inc., 1200 First National Bank Bldg., Cincinnati, Ohio, a management open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company, and the Commission has issued an order (Release IC-3838) giving interested persons until December 18 to request a hearing thereon. According to the application, Haydock Fund (with stockholder approval) merged into Scudder, Stevens & Clark Fund, Inc., on December 31, 1962; all assets of the corporation have been exchanged for stock of Scudder; all shares have been exchanged with the exception of certificates representing 7,489 shares of applicant's stock held by thirty-three persons, who have been treated as though they were Scudder shareholders; Scudder is registered under the ICA Act and applicant is not now acting as an investment company and does not intend to do so in the future.

MARTIN-STANDARD RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3839) declaring that Martin-Standard Corporation, 919 - 18th St., N. W., Washington, D. C., has ceased to be an investment company.

POWR-PAK INDUSTRIES FILES FOR OFFERING AND SECONDARY. Powr-Pak Industries, Inc., 145 Howard Ave., Bridgeport, Conn., filed a registration statement (File 2-21918) with the SEC on December 2 seeking registration of \$1,000,000 of 6% convertible subordinated debentures due 1974, to be offered for public sale by the company at 100% of the principal amount thereof, and 125,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof at a price to be supplied by amendment (maximum \$8 per share*). The company is also seeking registration of 10,000 shares of common stock heretofore purchased from Glendale, Inc. by S. D. Fuller & Co., 26 Broadway, New York, the principal underwriters, at \$2.50 per share. The company has agreed to sell to the underwriters for \$400, five-year warrants to purchase an aggregate of 40,000 common shares, the exercise price of which also is to be supplied by amendment. Organized under Delaware law in October 1963 for the purpose of effecting the consolidation of Reher Simmons Research, Inc. and Powr-Pak, Incorporated, Connecticut corporations organized in 1960 and 1950, respectively, the company is engaged in the formulation, packaging, and sale of a variety of aerosol products. These products are packaged by the company for sale by other concerns under trade or brand names owned and used by the latter as well as by the company itself through its wholly-owned marketing subsidiary.

It is contemplated that the company will net approximately \$900,000 from the sale of the debentures and that \$690,000 of that amount will be applied to the repayment of sundry indebtedness, the remainder (\$210,000) to be added to working capital to finance the carrying of accounts receivable. The company has outstanding 955,000 shares of common stock, of which 300,000 shares are owned by Glendale, Inc. (which in turn is owned by Sara Ruth Ezrine and family members). The prospectus lists 21 selling stockholders (including Glendale and Edward Helfer, president of registrant, but the amount of shares to be sold by each of them is to be supplied by amendment); and an additional 15 stockholders propose to sell 1000 shares or less each.

FLORIDA CITRUS INDUSTRIES FILES FOR OFFERING. Florida Citrus Industries Sunset Groves, Ltd., 111 N. E. Second Ave., Miami, filed a registration statement (File 2-21919) with the SEC on December 2, 1963, seeking registration of 640 partnership interests in each of six separate limited partnerships (total 3,840 units). Florida Citrus Industries, Inc., promoter and general partner of each partnership, will convey for \$810,560 to each partnership 640 acres of land in a tract which will be planted with orange trees and developed as a commercial orange grove. The 3,840 units are to be offered for public sale at \$1,435 per unit (not including three-year advance payment for grove maintenance and caretaking of \$390 per unit and three-year advance payment of the general partner's management fee of \$21 per unit). The offering of interests in each partnership is to be made on a best efforts, "all or none" basis by Street & Company, Inc., of 30 Broad Street, New York, for which it will receive a \$143.50 per unit selling commission plus an additional \$25 per unit for expenses.

The promoter and general partner will cause the land to be cleared and certain irrigation and drainage facilities to be installed and orange trees planted. These operations will be performed by Big Chief Construction Company, Inc., and Indiantown Grove Service, Inc., the trees to be purchased from Indiantown Citrus Nurseries, Inc. Indiantown Grove Service will provide grove caretaking services. Net proceeds of the sale of the partnership interests will approximate \$810,560 to each partnership, all of which will be paid to the promoter and general partner in consideration of the sale of the 640 acres to each partnership. The latter will loan \$15,000 to each partnership for four years without interest. The prospectus lists Saul Kampf as board chairman and Alfred D. Van as president of the promoter (Florida Citrus Industries, Inc.) which was organized in 1961. The total proceeds of its sale of land to the six partnerships will be \$4,863,360; and the company has estimated its costs in connection therewith at \$3,228,640.

NORTHERN STATES LIFE FILES FOR OFFERING. Northern States Life Insurance Corporation, 1840 North Farwell Ave., Milwaukee, Wisc., filed a registration statement (File 2-21920) with the SEC on December 3 seeking registration of 95,931 shares of common stock and warrants to purchase an additional 191,862 common shares. These securities are to be offered for public sale at \$1.50 per unit, each unit consisting of one common share, one warrant for the purchase of one share at \$2 per share on or before August 31, 1963, and one warrant for the purchase of one share at \$2.50 per share on or before February 28, 1965. The offering is to be made on a "best efforts" basis by McMaster Hutchinson & Co., of 1819 Marine Plaza, Milwaukee, for which it will receive a selling commission of 10¢ per unit. The underwriter also will receive 10¢ for each share issued upon exercise of the warrants. Present shareholders will have the right for the first five days of the offering to subscribe to a number of shares equal to twenty percent of their holdings.

Organized under Wisconsin law in May of 1959 (under the name of National Security Life Insurance Corporation), the company is engaged in the business of writing life insurance in the state of Wisconsin. Said to be "a relatively new and minor factor" in the life insurance business, the company has shown "an increasing loss in each annual period since commencement of operations" in November 1959 - its total deficit as of October 31, 1963, being \$668,626. Net proceeds of this financing will be added to general funds, and will enable the company to write a larger volume of life insurance business and reduce the portion of its volume reinsured with others and, perhaps, facilitate the licensing of the company in other states.

The company now has outstanding 493,371 shares of common stock, of which 24,673 were recently issued pursuant to a rights offering for a total consideration of \$49,346. A total of 441,862 shares are reserved for granting under options and warrants, amounting to 90% of shares now outstanding and "43% of the shares outstanding, including all of the shares in this offering, the share offered by warrants and the optioned shares." Of the outstanding stock, 17% is owned by management officials as a group. A. Jack Nussbaum is listed as president.

SECURITIES ACT REGISTRATIONS. Effective December 3: Life Insurance Company of Florida (File 2-21647); Peerless Insurance Co. (File 2-21815); Potter Instrument Co. (File 2-21875); Trans World Airlines, Inc. (File 2-21897). Withdrawn December 4: Horace Mann Investors, Inc. (File 2-20594). Effective December 4: Clark Equipment Credit Corp. (File 2-21870).

*As estimated for purposes of computing the registration fee.

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