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

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THREE BROKER-DEALER REGISTRATIONS REVOKED. In decisions announced today (Release Nos. 34-6787, 34-6788 and 34-6789), the Commission revoked the broker-dealer registrations of the following for violation of certain provisions of the Federal securities laws:

- 1) Whitney & Company, Inc., 227 H St., N.W., Washington, D. C.
- 2) Jacwin & Costa, Inc., 33 Broadway, New York, N. Y.
- 3) Florida Underwriting and Securities Service Corp., 117 N.E. 1st Ave., Miami, Fla.

With respect to the Whitney firm, the Commission ruled that the company had engaged in the conduct of a securities business in 1958 in violation of the SEC net capital rule. Its net capital deficiency as of October 31, 1958, amounted to \$16,558. The Commission also held that the firm failed to make a timely filing of its report of financial condition for 1958 and failed to keep current the posting of its books and records in the Fall of 1958 as required. Unposted commissions to some 50 salesmen aggregated \$5,412; and other unposted liabilities totaled over \$5,000, including a note payable to a bank for \$2,500 of which there was no record in the firm's books. Certain factors were urged in mitigation and in support of a request for withdrawal of Whitney's registration, but they were rejected by the Commission which held that Francis H. Mitchell, president of the firm, was a cause of the revocation order.

In its order revoking the registration of Jacwin & Costa, the Commission ruled that the firm together with Irvin W. Jacwin and Joseph A. Costa, officers, and Paul Arno, a salesman, offered and sold stock of Shelton-Warren Oil Company in 1959 at prices ranging from 75¢ to \$2.50 per share and by means of false and misleading representations concerning a future price rise in the stock, present and future dividends, an important oil strike, the amount of stock available, future listing of the stock on the New York Stock Exchange, Shelton's financial position and future earnings possibilities, and comparisons between an investment in Shelton and in a major oil company. Shelton was operating at a loss, had a book value of 30¢ per share, and was in no position to meet the listing requirements of the Exchange. The three individuals were each found to be a cause of the revocation order.

The Commission found with respect to Florida Underwriting that that firm offered and sold stock of Florida Electronics Development Corp. ("issuer") in 1958 in violation of the Securities Act registration requirement and through false and misleading statements violative of its anti-fraud provisions. The misrepresentations including statements that the issuer had a license agreement with American Electronics Development Corporation giving it unrestricted use of certain machinery, equipment and patent rights and that no salaries would be paid to the issuer's officers and directors for a year, without disclosing that American Electronics controlled the issuer, that the licensing agreement was nonexclusive, that American Electronics' sole source of income was from payments by the issuer, that the issuer was to pay substantially all the proceeds of its stock sale to American Electronics and that the latter would use these funds to pay substantial salaries to certain officers who were also officers of the issuer. Moreover, Florida Underwriting induced customers to purchase securities and received \$4,502 in payment therefor, and accepted an order from another customer to sell and did sell his securities for \$1,005, but failed to account to the customers for these funds until some months later, in the meantime appropriating such funds to its own use including the payment of salaries to George Clark Smith and Benjamin Schwartz, officers; engaged in the securities business and received total funds of \$12,971 from customers on the implied representation that it was solvent when in fact it was insolvent and had insufficient assets with which to meet its liabilities; and violated the Commission's net capital and record-keeping requirements. Smith, Schwartz and Jerome B. Herbert, another officer, were each found to be a cause of the revocation order.

ANTHONY PARELLA "SHOOTING MATCH" SUSPENSION PERMANENT. The SEC has issued an order making permanent its order of May 24, 1961, temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed public offering (at \$2500 per unit) of \$125,000 of pre-formation limited partnership interests by Anthony Parella, of New York City. The units were to be offered on behalf of The Whole Darn Shooting Match Co., a partnership to be formed in connection with the production of a play entitled "The Wole Darn Shooting Match." Parella admitted the allegations of fact in the temporary suspension order but denied that any fraudulent intent was involved and requested withdrawal of his Regulation A notification. The request for withdrawal was denied and the suspension was made permanent, the Commission ruling that certain provisions of Regulation A were not complied with in that Parella made a written offer of partnership interests without delivering the offering circular, as required, and used sales literature which had not been filed with the Commission, as required; that the notification failed to disclose that the offering would be made in jurisdictions (states) other than those specified therein; and that Parella sold 1½ units to two persons to whom an offering circular was delivered, one a resident of a state not specified in the notification and the other a resident of a state which was specified but in which a document had been filed by counsel for Parella attesting that the security would not be offered in that state. Parella testified that he considered the offering circular lengthy and therefore, after unsuccessfully attempting to contact his lawyer, prepared and used a short sales brochure which he employed in numerous instances in lieu of the offering circular and contrary to the requirements of Regulation A.

OVER

R. J. HAYES & CO. REGISTRATION POSTPONED. Following a hearing in proceedings under the Securities Exchange Act to determine whether an application for broker-dealer registration filed by R. J. Hayes & Co., Inc., 27 William St., New York, should be denied, Hayes & Co. consented to a postponement of the effective date of its registration pending final determination of the question of denial.

APEX MINERALS TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market, for a further ten-day period April 26 to May 5, 1962.

PACIFIC UNDERWRITERS REGISTRATION POSTPONED. Pacific Underwriters, Inc., of Scottsdale, Ariz., has consented to a postponement of the effective date of its application for broker-dealer registration under the Securities Exchange Act pending Commission determination of the question whether registration should be denied; and the hearing scheduled for April 25th has been postponed.

AMERICAN RESEARCH SEEKS ORDER. American Research and Development Corporation, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed amendment in the terms of a 6% note in the amount of \$300,000 issued by The Geotechnical Corporation; and the Commission has issued an order (Release IC-3473) giving interested persons until 12:30 P.M. May 7, 1962, to request a hearing thereon. Geotechnical, 29% of whose stock is owned by American Research, has filed a registration statement with the Commission proposing the public offering of 80,000 common shares (also a secondary offering of 10,000 shares by its board chairman). Under the proposed amendment of the terms of the note, certain restrictive covenants will be eliminated in the interest of facilitating the public offering of stock. Geotechnical's business is primarily concerned with the earth sciences and their application to meet the needs of industry and Government; and its principal place of business is Garland, Texas.

REPORTING EXEMPTION GRANTED TWO COMPANIES. The SEC has issued orders pursuant to Rule 15d-20 under the Securities Exchange Act of 1934, granting applications of the following for exemption from the requirement to file annual and other periodic reports pursuant to Section 15(d) of the Act: (a) Hubshman Factors Corporation, New York, and (b) Producers Fire and Casualty Company, Phoenix, Ariz.

According to the applications, (a) Automatic Canteen Company owns all of the 420,000 shares of outstanding Class B stock and all but 3,570 of the 476,430 shares of outstanding Class A stock of Hubshman Factors; and (b) all of the outstanding securities of the Casualty Company are held of record by not more than fifty persons and the issuer has agreed to furnish an annual report to any shareholder upon request.

INDUSTRIAL GROWTH FUND FILES FOR STOCK OFFERING. Industrial Growth Fund of North America, Inc., 505 Fifth Avenue, New York, filed a registration statement (File 2-20271) with the SEC on April 20th seeking registration of 100,000 shares of common stock, to be offered for public sale at net asset value (maximum \$11.50 per share*) plus an 8.5% sales charge.

The Fund is a fully-managed, diversified investment company which intends to become open-end in 1963. Its primary objective is capital growth, combined with a fair return of income, to be derived in major part by investment in common stock of the larger industrial and other business corporations of the United States. Industrial Incomes Incorporated of North America, of the Fifth Avenue address, is the Fund's investment manager and distributor, and Laird, Bissell & Meeds is its investment advisor. Peter Bekeny is president of the Fund and I. M. Bekeny is vice president; and they hold similar positions with the manager. The former owns substantially all of the outstanding common voting stock of the manager. The prospectus states that in order to provide the Fund with an initial capital to enable it publicly to offer its shares under the Investment Company Act of 1940, it intends to sell shares privately at \$10 per share. The names of the purchasers and amounts to be acquired by each are to be supplied by amendment.

JAPAN DEVELOPMENT BANK PROPOSES BOND OFFERING. The Japan Development Bank, Tokyo, Japan, filed a registration statement (File 2-20275) with the SEC on April 24th seeking registration of \$15,000,000 of 6% guaranteed external loan bonds due 1977, to be offered for public sale through underwriters headed by The First Boston Corporation, 15 Broad Street, New York, and two other firms. The public offering price and underwriting terms are to be supplied by amendment. The Bank was organized in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development, supplementing and encouraging the credit operations of private financial institutions. The net proceeds from the bond sale will be converted into Japanese yen and will be used by the Bank to make loans in Japanese currency to leading private electric power companies in Japan, which will use such proceeds for the construction of thermal electric power facilities in various parts of Japan. All of the Bank's capital is owned by the Government of Japan, and its annual budget of revenues and expenditures is considered and approved by the Minister of Finance of Japan, the Cabinet, and the Diet, successively. Its governor (Risaburo Ohta), vice-governor and auditors are appointed by the Prime Minister.

PROMISTORA GOLD MINES FILES FOR OFFERING AND SECONDARY. Promistora Gold Mines Limited, 36 Yonge St., Toronto, Ontario, Canada, filed a registration statement (File 2-20276) with the SEC on April 24th seeking registration of 750,000 shares of capital stock, of which 500,000 shares are to be offered for public sale at 50¢ per share by the company and 250,000 shares, being outstanding stock, by the holder thereof. The offering will be made on a best efforts basis by A. C. MacPherson & Co., 25 Adelaide Street East, Toronto, which will receive a 12½¢ per share selling commission and an additional 7½¢ per share for expenses.

The company was organized in 1949 to acquire and explore a group of 18 contiguous mining claims situated in the Slocan Area, British Columbia, Canada, 11 of which were subsequently abandoned. The

prospectus states that to date, except for preliminary exploration work, no development work has been undertaken on its property and that no production or discovery of mineable ore bodies has resulted from such exploratory work. Of the \$150,000 estimated net proceeds from the company's sale of additional stock, \$106,000 will be used to carry out future exploration of the property and the balance to pay certain expenses and for other general corporate purposes and contingencies. The company has outstanding 1,560,214 shares of common stock, of which 560,214 shares have been sold from time to time since 1949 at prices ranging from 5¢ to \$1 per share (or an aggregate of \$75,612.56) and 1,000,000 shares were issued at a discount of 90% for the original mining properties. Of such outstanding stock, Patrick J. Sullivan, Helen P. Sullivan, his wife, Sydney A. Morse, George A. Reynolds and Patsul Investments Ltd. (owned by Patrick J. Sullivan) own 10.4%, 17.4%, 16%, 14.4% and 22.2%, respectively. Patsul Investments proposes to sell the 250,000 shares. The prospectus states that the Sullivans acquired their direct holdings for an aggregate cost of \$566.12, and the aggregate cost to Patsul Investments for its shares was \$50,639.10. The prospectus further states that the company may be liable for \$36,352 in respect of the sale of 137,450 shares which may have been sold recently in the United States in violation of the Securities Act of 1933. After the stock sale to the public, present stockholders will own 64% of the outstanding stock acquired at an aggregate cost of \$157,943 (11.2¢ per share), and the public will own 36% for an investment of \$375,000. After such sale, book value of outstanding shares will be 12.3¢ per share.

ALL-STATE PROPERTIES PROPOSES DEBENTURE OFFERING. All-State Properties Inc., 230 Park Avenue, New York, filed a registration statement (File 2-20277) with the SEC on April 24th seeking registration of \$5,000,000 of convertible subordinated debentures due 1977, to be offered for public sale at 100% of principal amount. Bear, Stearns & Co., One Wall Street, and Allen & Company, 30 Broad Street, both of New York, head the list of underwriters. The interest rate on the debentures and underwriting terms are to be supplied by amendment. The statement also includes (1) 30,000 shares of capital stock underlying 5-year options to be sold to the principal underwriters for \$3,000, exercisable initially at 110% of the market price thereof, and (2) \$750,000 of like debentures to be offered by the company to a group of nine persons in exchange for \$358,057 of 5% collateral notes and 42,170 outstanding capital shares.

The company conducts through subsidiaries a general real estate business with emphasis on land development and home construction in Florida, Maryland, New York and Kentucky. It also is engaged in or has interests in other businesses, including barber and beauty shops, utility companies, bowling alleys, and housing construction in Argentina. The net proceeds from the debenture sale will be used to repay various loans, aggregating \$3,577,500 as of May 31, 1961, made to the company by The Franklin National Bank of Long Island. In addition to certain indebtedness, the company has outstanding 2,743,996 shares of capital stock, of which management officials as a group own 711,993 shares. Jerry Finkelstein is board chairman and Herbert Sadkin is president.

WHIRLPOOL FILES FOR SECONDARY. Whirlpool Corporation, Benton Harbor, Mich., today filed a registration statement (File 2-20278) with the SEC seeking registration of 1,000,000 outstanding shares of common stock, to be offered for public sale by Radio Corporation of America, a principal stockholder. The offering will be made through underwriters headed by Lehman Brothers, One William Street, New York, and two other firms. The public offering price (maximum \$30.125 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of a broad line of major home appliances including home laundry equipment and home refrigeration and air conditioning equipment. It is the supplier to Sears, Roebuck and Co. of regular size home laundry equipment, which is sold under Sears' "Kenmore" brand name, and the principal supplier to Sears of home refrigeration and air conditioning equipment sold under the "Coldspot" name. In addition, the company manufactures home appliances for nationwide sale through retail dealers under the "RCA Whirlpool" name. In addition to certain indebtedness, the company has outstanding 6,266,110 shares of common stock, of which RCA owns 1,158,563 shares (18.5%) and, as indicated, proposes to sell the 1,000,000 shares. Management officials as a group own about 5%. Elisha Gray II is board chairman and president. The prospectus states that the sale of company stock by RCA will not affect the rights of the company to continue to use the "RCA Whirlpool" brand name, and it is not contemplated that the sale will have any effect upon the methods of distribution, financing and servicing of RCA Whirlpool appliances.

CORRECTION RE TECHNICAL OPERATIONS SECONDARY. The SEC News Digest of April 19th reported the filing of a registration statement by Technical Operations, Inc., of Burlington, Mass., covering a proposed secondary offering of 94,312 outstanding shares. The prospectus states that the holders of a substantial portion of these shares have agreed to sell no more than 25% of their holdings prior to April 11, 1963.

SECURITIES ACT REGISTRATIONS. Effective April 25: Anscott Chemical Industries, Inc. (File 2-19614); Cameo-Parkway Records, Inc. (File 2-19575); Campbell-Lurie Plastics, Inc. (File 2-19217); First Scientific Corp. (File 2-19426); General Battery and Ceramic Corp. (File 2-19624); International Airport Hotel System, Inc. (File 2-19608); Iowa Southern Utilities Co. (File 2-20100); Lakeside Industries, Inc. (File 2-19921); Presidential Realty Corp. (File 2-19714); The Schenit Rubber Co. (File 2-19837); Southwestern Growth Fund, Inc. (File 2-18546); Washington Gas Light Co. (File 2-20205). Withdrawn April 25: Bilnor Corp. (File 2-19618); Penthouse Club, Inc. (File 2-19854); Racing Inc. (File 2-19146).

*As estimated for purposes of computing the registration fee.