

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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FOR RELEASE July 18, 1962

VIOLATIONS CHARGED TO JOE BERT SISSOM. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Joe Bert Sissom, doing business as Sissom Investment Securities, 17 West Avenue A, Temple, Texas, engaged in practices which operated as a "fraud and deceit" upon his customers and, if so, whether his broker-dealer registration should be revoked.

Sissom has been registered with the Commission as a broker-dealer since February 23, 1961. In April 1962, he was permanently enjoined by Federal court order from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that Sissom "engaged in transactions, acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons" in violation of the anti-fraud provisions of the Act, in that from December 1961 to March 1962, he withheld from certain customers information as to the prevailing market prices for securities either sold to or purchased from them and induced them to purchase from or sell to him such securities at prices far above or below (as the case may be), and having no reasonable relationship to, the prevailing market price for such securities, thereby obtaining unreasonable and excessive profits. The staff also charges that Sissom violated the Act and certain rules thereunder in that from December 1961 to April 1962, he directly and indirectly hypothecated and arranged for and permitted the continued hypothecation of securities carried for the accounts of certain customers under circumstances (1) that permitted such securities to be commingled without obtaining the written consent of each customer to such hypothecation, and (2) that permitted such securities to be commingled with securities carried for Sissom's account under liens for loans made to him. Violations of the Commission's net capital and record-keeping rules and its reporting requirements are also charged.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether Sissom's broker-dealer registration should be revoked. Sissom is a member of the National Association of Securities Dealers, Inc.; and one of the issues in these proceedings is whether he also should be suspended or expelled from NASD membership.

ATLAS CORP. GRANTED EXEMPTION. In a decision announced today (Release IC-3498), the SEC granted an application of Atlas Corporation, New York, for exemption from the Investment Company Act. The company has operated for many years as a special situations investment company. Under a change in management it is the new company policy to engage principally in natural resource, aviation and manufacturing businesses through majority-owned subsidiaries. Substantially all the company's assets are invested in such subsidiaries, the company's officers are actively managing such subsidiaries, and cash receipts of the company are derived in large part from such subsidiaries. Shareholders of the company have approved the change in the nature of the company's business from an investment company to a company principally engaged in such activities; and the company represents that, if its application for deregistration (as an investment company) is approved, it will merge or liquidate its majority-owned subsidiaries. Accordingly, the Commission ruled that Atlas is primarily engaged in businesses other than that of an investment company and is entitled to exemption from the Investment Company Act.

PRESTIGE CAPITAL GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-3499) declaring that Prestige Capital Corporation, New York, has ceased to be an investment company. It has withdrawn its Securities Act registration statement and does not propose to make a public offering of stock.

ALEX. BROWN NAMED ADMINISTRATOR. SEC Chairman Cary today announced the promotion of Alexander J. Brown, Jr., to the position of Administrator of the Commission's Washington (D.C.) Regional Office. He has served as Acting Administrator since March 12, 1962. A career employee, Mr. Brown has had extensive experience in the Commission's investigation and law enforcement activities since he joined the staff of the Chicago Regional Office in May 1941. While serving in that Office, he represented the Commission in many administrative and injunctive actions under the Federal securities laws. He was named Chief Trial Attorney in the Chicago Office in 1949 and was further advanced in 1958 to the position of Assistant Administrator in the Washington Regional Office. Mr. Brown was born in Chicago on September 7, 1905. He received his LL.B. from the Loyola University School of Law in 1930 and practiced law for several years in Chicago before joining the Commission's staff.

OVER

AMOS TREAT & CO. ORDER. The SEC today announced the issuance of an order terminating its administrative proceedings under the Securities Exchange Act to determine whether to revoke the broker-dealer registration of Amos Treat & Co., Inc., 79 Wall Street, New York. The action was taken "without prejudice to the subsequent institution of new proceedings" against the firm based upon the same charges underlying the said proceedings, or other charges. Such termination of proceedings was in compliance with an alternative contained in the May 10th opinion of the United States Court of Appeals for the District of Columbia Circuit in an action filed by the said Amos Treat & Co., to enjoin the Commission's proceedings, "and is not to be regarded as a precedent with respect to future cases since the Commission respectfully disagrees with that opinion." The Commission is of the view that to seek further review of the Amos Treat decision at this time would entail delay of the determination of the issues raised in these proceedings, which would not be in the public interest.

BROWN & CO. INVESTMENT ENJOINED. The SEC San Francisco Regional Office announced July 16th (Lit-2315) the entry of a Federal court order (USDC, Ariz.) permanently enjoining Brown & Company Investment Securities, of Phoenix, and Barbara C. Brown, its president, from further violating the SEC net capital rule and from engaging in business while insolvent in violation of the anti-fraud provisions of the Securities Exchange Act.

SUBPOENA ENFORCEMENT ACTION. The SEC Chicago Regional Office announced July 9th (Lit-2316) the filing of court action (USDC, Hammond, Ind.) seeking compel compliance by Sylvester-Anderson Oil Company, Inc., with a subpoena directing the production of certain documentary evidence.

N.Y. STATE ELECTRIC & GAS PROPOSES DEBENTURE OFFERING. New York State Electric & Gas Corporation, 108 East Green, Ithaca, N. Y., today filed a registration statement (File 2-20585) with the SEC seeking registration of \$15,000,000 of sinking fund debentures due 1992, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to provide funds for the company's 1962-63 construction program, estimated at \$60,000,000.

SECURITIES ACT REGISTRATIONS. Effective July 18: Argus Inc. (File 2-20437); Ram Tool Corp. (File 2-20377); Virginia Commonwealth Corp. (File 2-20053). Withdrawn July 18: Plantation Patterns, Inc. (File 2-20140); United States Realty & Investment Co. (File 2-20148).

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