

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 September 17, 1962

Statistical Release No. 1853. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended September 14, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1962 is as follows:

	1957-59 = 100		Percent Change	1962	
	9/14/62	9/7/62		High	Low
Composite	120.1	119.0	+0.9	144.3	107.0
Manufacturing	111.3	109.8	+1.4	135.0	98.6
Durable Goods	109.0	107.9	+1.0	135.6	95.2
Non-Durable Goods	113.6	111.6	+1.8	134.4	101.8
Transportation	89.8	90.7	-1.0	111.0	85.5
Utility	160.1	159.9	+0.1	185.5	143.0
Trade, Finance & Service	143.8	144.1	-0.2	178.2	131.4
Mining	93.9	92.6	+1.4	113.3	83.8

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 13, 1962, 16 registration statements were filed, 22 became effective, 7 were withdrawn, and 558 were pending at the week-end.

OFFERINGS OF TWO MIAMI COMPANIES SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of stock by Greater Miami Industrial Park, Inc., 310 S.E. Second Ave., and Precision Metal Products, Inc., 278 N.W. 27th Street, both of Miami, Florida.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The two named companies, in notifications filed on March 3, 1961 and October 5, 1961, respectively, proposed the public offering of common stock as follows: Miami Industrial, 115,000 common shares at \$2.60 per share; and Precision Metal, 100,000 common shares at \$3 per share. Armstrong and Company, Inc., 15 William Street, New York, was underwriter for the Precision Metal offering. Both orders provide an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

With respect to the offering by Miami Industrial, the Commission asserts in its suspension order that it has reasonable cause to believe (1) that the company's offering circular is materially misleading in that it fails to disclose the true purposes for which the proceeds from the offering were to be used, and (2) that in using the proceeds for purposes other than those specified in the offering circular, the company "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers of such securities" in violation of Section 17 (the anti-fraud provision) of the Act. With respect to the Precision Metal offering, the Commission's order asserts that certain terms and conditions of Regulation A were not complied with; that the company's offering circular was false and misleading in respect of certain material facts (in that the proceeds of the stock sale were not used for the purposes set out in the offering circular); and that Armstrong and Company, in distributing the stock, engaged in activities "which would and did operate as a fraud and deceit upon the purchasers" of the stock in violation of the anti-fraud provisions of the Act. The order also asserts that Regulation A became unavailable to the offering of Precision Metal stock by reason of (1) a Federal court order temporarily enjoining Armstrong and Company from violating certain provisions of the Securities Exchange Act of 1934, and (2) the fact that that company was named as underwriter of securities covered by another Regulation A filing which is subject to a permanent suspension order of the Commission entered within the past five years. (NOTE TO PRESS. Copies of foregoing also available at the Miami Branch Office)

TRI-NITE MINING OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by Tri-Nite Mining Co., 405 Fidelity Bldg., Spokane, Washington.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on July 31, 1962, Tri-Nite proposed the public offering of 400,000 common shares at 50¢ per share. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that the company's offering circular was false and misleading in respect of certain material facts. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the order, the company did not comply with the Regulation in that it failed to furnish adequate and accurate material information as to previous exploratory and development work on its property; failed to state in the offering circular the cash cost paid (including cash expended for property transferred to the company) by officers, directors, controlling persons and promoters of the company for securities held

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by them; and failed to include a statement of cash receipts and disbursements of the company's predecessor, Triton Mining Company. In addition, the report of the geologist (Russell Chadwick) is not written in clear and concise form. The alleged misrepresentations in the offering circular relate to the company's failure to make proper disclosure of the unfavorable results of past exploratory work and operations and that major mining companies had examined and rejected the company's property; the representation that this is an operational venture without proper disclosure of its exploratory nature; the failure to disclose that it is not economically feasible and is not the practice in the mining industry to expend funds for a mill prior to the establishment of ore reserves; and the failure to make proper disclosure in the offering circular the equity dilution of stock issued under the proposed offer.

BROWN BARTON & ENGEL, OTHERS, ENJOINED. The SEC New York Regional Office announced September 13th (Lit-2365) the entry of a Federal court order (USDC, Newark, N.J.) preliminarily enjoining Brown, Barton & Engel, of Newark, and George Philip Barton, its president and principal stockholder, from violating the Securities Act anti-fraud provisions in the offer and sale of stock of Federated Holding Company, Inc. Also enjoined were Federated Holding Company, Fred Hesse, Herbert Rapp (also known as Ralph Rapp, a/k/a Ralph Price), Edward Stavitsky. Peter Davis, Alfred Walsky and Samuel Rubenstein previously had consented to a permanent injunction.

AXE HOUGHTON FUNDS SEEK ORDER. Axe-Houghton Fund A, Inc., Axe-Houghton Fund B, Inc., Axe-Houghton Stock Fund, Inc., and Axe-Science & Electronics Corporation, New York open-end investment companies, have applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed exercise of warrants presently held by them to purchase common shares of Helio Aircraft Corporation; and the Commission has issued an order (Release IC-3538) giving interested persons until September 27th to request a hearing thereon. According to the application, the four Funds own in the aggregate 50,000 common shares of Helio (out of 380,555 shares outstanding), \$250,000 of Helio's 6% income debentures due 1965, warrants for the purchase of 50,000 common shares at \$5 per share, and separate options to purchase 300,000 common shares at \$5 per share. Each Fund proposes to exercise half of the warrants it presently holds prior to September 30, 1962 by the surrender of half of its remaining income debentures, and to exercise the balance of the warrants by surrender of the balance of the debentures prior to January 1, 1962.

WARNER-LAMBERT PHARMACEUTICAL CO. FILES STOCK PLAN. Warner-Lambert Pharmaceutical Company, 201 Tabor Road, Morris Plains, N. J., filed a registration statement (File 2-20718) with the SEC on September 14th seeking registration of 3,859 shares of \$4 cumulative convertible preferred stock, \$100 par, and 86,822 shares of common stock, to be offered pursuant to the Employees Restricted Stock Option Plan of American Chicle Company, the obligations under which plan are to be assumed by the company upon its proposed merger with American Chicle.

U.S. COLD STORAGE OF HAWAII FILES FOR OFFERING AND SECONDARY. U.S. Cold Storage of Hawaii, Inc., 3140 Ualena St., Honolulu, filed a registration statement (File 2-20719) with the SEC on September 14th seeking registration of 30,000 shares of capital stock, of which 20,000 shares are to be offered for public sale by the company and 10,000 shares, being outstanding stock, by the present holder thereof. The offering will be made (without underwriting) at \$10 per share.

The company was organized under Delaware law in May 1962 and intends to construct and operate cold storage facilities in Hawaii where refrigerated warehouse space will be provided for frozen foods and other commodities which must be stored under controlled temperatures. The net proceeds from the company's sale of additional stock will be added to general funds and used as working capital to the extent that they are not used in connection with the construction of the cold storage warehouse. The cost of the building and machinery is estimated at \$850,000. The company has outstanding 80,000 capital shares, of which American Consumer Industries, Inc., of New York, owns 70,000 shares and Loyalty Enterprises Ltd., of Honolulu, 10,000 shares. Loyalty Enterprises proposes to sell the 10,000 shares (which it purchased for \$100,000). American received its shares at the rate of \$10 per share in exchange for 30,434 shares of American's common stock. Joseph S. Robinson is board chairman and Millard W. Young is president. K. J. Luke, a director of the company, is the principal shareholder of Loyalty Enterprises.

CAMERON IRON WORKS FILES FOR SECONDARY. Cameron Iron Works, Inc., P.O. Box 1212, Houston, Texas, filed a registration statement (File 2-20720) with the SEC on September 14th seeking registration of 280,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by White, Weld & Co., Inc., 20 Broad Street, and Lehman Brothers, One William St., both of New York. The public offering price (maximum \$21.50 per share*) and underwriting terms are to be supplied by amendment.

The company is a manufacturer of equipment used in the drilling, production and transportation of petroleum products, and in the processing industries, all of which is developed and designed by the company and sold under the name "Cameron." In addition, it produces metal forged products used in the aviation, missile and atomic industries, finished missile components and commercial steel forgings in accordance with customer specifications. In addition to certain indebtedness, the company has outstanding 2,353,600 shares of common stock, of which J. S. Abercrombie, president, and Isabel C. Cameron own 51.07% and 19.21%, respectively, and management officials as a group 59.41%. The prospectus lists 18 selling stockholders owning an aggregate of 762,784 common shares, including Isabel C. Cameron who proposes to sell 200,000 shares. Others propose to sell amounts ranging from 500 to 16,000 shares.

COMPLAINT FILED AGAINST ORANGE GROVE TRACTS. The SEC Boston Regional Office announced September 13th (Lit-2366) the filing of a court action (USDC, Boston) seeking to enjoin Orange Grove Tracts, a Delaware company, and its president, Albert F. Green (South Miami, Fla.), from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of securities consisting of units of a citrus grove development coupled with a management contract.

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COMPLAINT FILED AGAINST MERO INTERNATIONAL. The SEC Boston Regional Office also announced September 13th (Lit-2367) the filing of a court action (USDC, Boston) seeking to enjoin Mero International, Ltd. a Bahamian company, its president, Philip Mero (of Fort Lauderdale, Fla.), Free Port Mercantile and Development, Ltd., a British Honduran company, its president, Jerry Flick (Coral Gables, Florida), and W. John Dunnan, Francis L. Vincent and Cooperative Growers Citrus Association from further violations of the Securities Act registration and anti-fraud provisions in connection with the sale of the citrus grove development investment contracts.

WALTER WERNER NAMED SEC STAFF OFFICER. SEC Chairman Cary today announced the appointment of Mr. Walter Werner as Associate Director of the Division of Corporation Finance, effective October 1, 1962. Mr. Werner was born in New York City on March 15, 1915. He received his B.A. degree in Economics with honors from Yale College in 1935 where he was elected to Phi Beta Kappa, and his LL.B. degree from the Yale Law School in 1938 where he was Editor-in-Chief of the Law Journal. He was admitted to the Connecticut Bar in 1938.

From 1938 to 1942 Mr. Werner was Assistant to the City Attorney, Bridgeport, Connecticut and engaged in the private practice of law in that city. From 1942 to 1947 he was employed in legal and administrative positions with Blaw-Knox Company in Pittsburgh, Pennsylvania. From 1947 to 1961 he served as President and General Manager of Michael Hoffman Fuel Company of Danbury. Since May, 1961, he has been engaged as Vice-President and Consultant with Hoffman Fuel Co. Inc., now a subsidiary of The Standard Oil Company of California.

ADVANCE! Following for A.M. Newspapers of Sept. 18th:

BANK LOANS ON SECURITIES UNDER FRB-SEC STUDY. A comprehensive survey of bank loans collateralized by stocks and bonds will be undertaken by the Federal Reserve System to fill an important gap in banking information related to security credit and to facilitate the Special Study of Securities Markets now being made by the Securities and Exchange Commission. The study, announced jointly by the Commission and the Federal Reserve Board, will make it possible to estimate the total amount of bank credit secured by stocks and bonds -- including loans for purposes other than purchasing and carrying securities, an area in which data are not regularly collected from banks and for which no benchmark data are available. It will also supply information on the types of securities serving as collateral for these bank loans, the purposes for which such loans have been made, and their terms and duration.

Detailed questionnaires will be sent to a broad sampling of banks belonging to the Federal Reserve System, including all those with total loans of \$200 million or more at the end of 1961, and covering a sample of each bank's loans outstanding on September 26, 1962. All information reported by the banks concerning individual loans will be confidential and survey results will be published only in totals for groups of banks, loans, and types of collateral. Information developed by this survey will be used by the Securities and Exchange Commission, along with the results of several other studies being conducted by the Commission, in connection with its Special Study of Securities Markets, to formulate recommendations for legislation in the area of securities market credit. It will also be helpful to the Board of Governors in its continuing administration of Regulation U -- relating to credit extended by banks on security collateral.

SECURITIES ACT REGISTRATIONS. Effective September 17: Cincinnati Enquirer Bldg. Associates (File 2-19503); Duro Pen Company, Inc. (File 2-19612); Oceana International, Inc. (File 2-20094); Shin Mitsubishi Jukogo Kabushiki (Files 2-20536 and 2-20537).

INDICTMENT NAMES DAVID M. COHN. The SEC Fort Worth Regional Office announced September 11th (Lit-2368) the return of a Federal court indictment (USDC, Little Rock) charging David M. Cohn, president of The Cohn Company, Inc., with violations of the Securities Act registration and anti-fraud provisions in the offer and sale of stock of Standard, Inc., an Arkansas corporation.

INDICTMENT NAMES JOHNSTON & COMPANY OF CLEVELAND. The SEC Chicago Regional Office announced September 13th (Lit-2369) the return of a Federal court indictment (USDC Cleveland) charging S. Brooks Johnston, C. Gilman Johnston and Johnston & Company of Cleveland, with violations of the Securities Act anti-fraud provisions.

SANDKUHL CO. INC. ENJOINED. The SEC New York Regional Office announced September 13th (Lit-2370) the entry of a Federal court order (USDC NJ) preliminarily enjoining Sandkuhl & Co., Inc., of Newark, Henry Sandkuhl, Marvita Sandkuhl and Florence Marcelin from violating the SEC net capital rule.

PHOENIX SECURITIES ENJOINED. The SEC New York Regional Office announced September 14th (Lit-2371) the entry of a Federal court order (USDC NJ) permanently enjoining Phoenix Securities, Inc., of Montclair, N.J. from further violations of the SEC net capital and bookkeeping rules.

INDICTMENT NAMES FRANK L. WASSERMAN. The SEC Boston Regional Office announced September 14th (Lit-2372) the return of a Federal court indictment (USDC Boston) charging Frank L. Wasserman of Newton, Conn., with violations of the anti-fraud provisions of the Federal securities laws while operating under the name First Securities Company.

*As estimated for purposes of computing the registration fee.