

# 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 16, 1964

**JEROME, RICHARD & CO. STOCK 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 1962 public offering of stock of Jerome, Richard & Co., Inc., of 50 Broadway, New York City. The order asserts that the Commission has reason to believe that certain terms and conditions of Regulation A were not complied with in connection with such stock offering, and that the company's offering circular was false and misleading in respect of certain material facts. The order also provides an opportunity for hearing, on request, on the question whether the suspension should be vacated or made permanent.

**SEC ORDER CITES THREE FIRMS.** The SEC today announced administrative proceedings under the Securities Exchange Act of 1934 involving the following broker-dealer firms (all of 50 Broadway, New York City) and certain persons associated with such firms: Kamen & Company, Frederick Cirlin Associates, Inc., and Jerome Richard & Co., Inc.

The administrative proceedings against the three broker-dealer firms and certain of their associates are based upon staff charges that, in the offer and sale of stock of Jerome, Richard & Co., the firms and the other individual respondents violated the anti-fraud and anti-manipulative provisions of the Federal securities laws. The individual respondents are: (A) Abraham Kamen, general partner of Kamen & Company, and three of the latter's former employees, Frances Ginsberg, Anthony Perotta and Jerome Melvin Grossinger; (B) Frederick Cirlin, president of Cirlin Associates, and Brian Frederick Barrabee, its vice president and secretary; and (C) Richard Venticinque, president, and Jerome Perlongo, a vice president and secretary of Jerome, Richard & Co., and George Herman and Laurence H. Ross, who the staff asserts were undisclosed controlling persons of Jerome, Richard & Co. These proceedings are consolidated with similar proceedings authorized by Commission order of September 3, 1963, and involving Jerome, Richard & Co. and certain of the above individual respondents (see Release 34-7134).

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges in the administrative proceedings involving the said broker-dealer firms and other respondents and afford them an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest. According to the Commission's order, Kamen & Company is a member of the New York and American Stock Exchanges; and it and Cirlin Associates are members of the National Association of Securities Dealers, Inc. The order further states that Grossinger was preliminarily enjoined on his consent by Federal court order in August 1963, a permanent injunction by default was issued in May 1964 against Ross and Herman, a preliminary injunction was entered in September 1963 against Frances Ginsberg, Perotta, Venticinque, Perlongo and Jerome, Richard & Co., and a permanent injunction (by consent) was issued in August 1963 against Cirlin Associates and Cirlin, all involving allegations of violations of the anti-fraud provisions of the Federal securities laws in the sale of stock of Jerome, Richard & Co.

**THREE FIRMS' REGISTRATIONS CANCELLED.** The Commission has issued orders cancelling the broker-dealer registrations of the following firms, which have ceased doing business as broker-dealers:

- (1) E. B. Fleming Co., Abington, Penna.  
Fleming Co. has been expelled from NASD membership for violations of the Commission's net capital rule, and the registration of its president, Eugene B. Fleming, as a registered representative, has been revoked.
- (2) Joseph Shernov, dba Central Securities Company, New York, N. Y.  
Shernov was enjoined by Federal court order in October 1963 from violations of the Securities Act registration and anti-fraud provisions in the sale of stock of Union Petroleum Company, and the said registration provisions in the sale of stock of Union Natural Gas and Pipe Line Co.
- (3) W. R. Sauve & Co., Inc., New York, N. Y.  
In October 1963 and January 1964 Sauve & Co. and its president, William R. Sauve, were enjoined by Federal court order from engaging in activities violative of provisions of the Securities Exchange Act.

**COMPLAINT CITES BRIGGS AND WEICHEL.** The SEC Chicago Regional Office announced (LR-3021) the filing of court action (USDC ND Ohio) on September 8 seeking to enjoin Mrs. Jessie Briggs of Powell River, Vancouver, B. C., and Dreyden, Texas, and Mrs. Mary Louise Weichel of Cleveland, Ohio, from further violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of oil and gas interests located in Terrell County, Texas. A temporary restraining order was issued.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order giving interested persons until October 2 to request a hearing upon an application of the Boston Stock Exchange for unlisted trading privileges in the common shares of Commonwealth Oil Refining Company Inc., and Occidental Petroleum Corporation. (Release 34-7421)

OVER

**MIDDLE SOUTH UTILITIES SEEKS ORDER.** Middle South Utilities, Inc., New York registered holding company, and its utility subsidiary, Arkansas Power & Light Company, have applied to the SEC for an order under the Holding Company Act authorizing Arkansas Power to sell at competitive bidding 75,000 shares of \$100 par preferred stock, to transfer a portion (\$5,000,000) of its restricted earned surplus to its common stock account, and thereafter to sell to Middle South an additional 400,000 shares of common stock (aggregating \$5,000,000 in par value); and the Commission has issued an order (Release 35-15125) giving interested persons until October 12 to request a hearing thereon. According to the application, net proceeds from the subsidiary's preferred stock sale will be applied to its construction program (estimated at \$39,500,000 for 1964) and used for other corporate purposes. As of June 30, 1964 the earned surplus of the subsidiary amounted to \$19,442,733, of which \$6,039,443 was restricted earned surplus. The issuance of the additional common stock to Middle South will permit the subsidiary to convert into capital a portion of its restricted earned surplus which has heretofore been permanently invested in property improvements.

**WESTERN AIR LINES FILES STOCK PLAN.** Western Air Lines, Inc., 6060 Avion Dr., Los Angeles, filed a registration statement (File 2-22766) with the SEC on September 15 seeking registration of 210,000 shares of capital stock, to be offered pursuant to its Stock Option Plan.

**ASTRODATA FILES STOCK PLAN.** Astrodata, Inc., 240 E. Palais Rd., Anaheim, Calif., filed a registration statement (File 2-22767) with the SEC on September 15 seeking registration of 100,000 shares of capital stock, to be offered under its Stock Option Plan.

**MSL INDUSTRIES FILES DEBENTURE OFFERING.** MSL Industries, Inc., 6330 N. Pulaski Rd., Chicago, filed a registration statement (File 2-22768) with the SEC on September 15 seeking registration of \$12,000,000 of convertible subordinated debentures due 1984, to be offered for public sale through underwriters headed by Dean Witter & Co., 50 W. Adams St., Chicago, and Bache & Co., 36 Wall St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company (formerly The Minneapolis & St. Louis Railway Company) is engaged primarily in the production and distribution of industrial fasteners and steel tubing, the engineering and manufacturing of plastic injection molded products, and in the contract aerosol container-filling business. Net proceeds from its debenture sale will be used to pay certain indebtedness incurred primarily in connection with the acquisition of the company's current business, including the payment of a \$4,960,000 bank loan, \$1,300,000 on the company's current bank borrowings and approximately \$2,893,333 on a note. The balance of approximately \$2,500,000 will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,274,117 common shares. Joseph T. Zoline is board chairman and president.

**ASSOCIATED OIL & GAS FILES STOCK PLANS.** Associated Oil & Gas Co., 3703 Yoakum Blvd., Houston, filed a registration statement (File 2-22769) with the SEC on September 15 seeking registration of 110,000 shares of capital stock to be offered under its 1958 Employee Restricted Stock Option Plan, and 300,000 shares of capital stock to be offered under its 1964 Qualified Stock Option Plan.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the September 2 News Digest.

Allied Artists Pictures Corp. June 64 (It 8)  
Stanray Corp. Aug 64 (It 13)

Castle & Cooke Inc. Aug 64 (It 3)

Glass Tite Industries, Inc. May 64 (Its 8,  
11,12)

Lithonia Lighting, Inc. June 64 (Its 12,13)

Old Florida Rum Company July 64 (Its 1,2)  
Wallace Business Forms, Inc. May 64 (Its 2,  
7,13)

Cavitron Ultrasonics, Inc. June & July 64  
(Its 6,8)

Sternco Industries, Inc. Aug 64 (Its 4,7,  
8,13)

United Stockyards Corporation July 64 (Its  
3,12)

Technifoam Corp. July 64 (It 11)

" " May 64 (It 1)

The New York Central Railroad Company (Del)  
Aug 64 (Its 7,13)

Russeks, Inc. July 64 (It 11)  
Sovereign Life Insurance Co of Calif.  
March 64 (It 11)  
July 64 (It 7)

Milwaukee Gas Light Co. July 64 (Its 7,  
11,13)  
Oxford Electric Corp July 64 (Its 2,13)

Burnell & Company, Inc. July 64 (It 11)  
Century Industries Co Inc July 64 (Its 12,  
13)

Venus Drug Distributors, Inc. Aug 64 (It 11)

King Louie International, Inc.  
Amend #2 Apr 64 (It 13)

Malone & Hyde Inc.  
Amend #1 May 64 (Its 2,13)

**SECURITIES ACT REGISTRATIONS.** Effective September 15: American & Foreign Power Company, Inc. (File 2-22556); Western Bancorporation (File 2-22692).  
Withdrawn September 15: Waterman Steamship Corp. (File 2-18801).