

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 April 17, 1963

HARRY E. JACK EMPLOYMENT APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-7059) granting an application filed by the National Association of Securities Dealers, Inc., seeking approval of the continuance in membership in the NASD of Financial Security Corporation while employing Harry E. Jack as a controlled person. According to the order, in 1957 Jack's registration as a registered representative of California Investors, Los Angeles, was revoked by the NASD on findings that he acted contrary to just and equitable principals of trade in dealings with a customer of the latter firm. Jack's employer had him arrested and he pleaded guilty and was fined \$500 and put on probation for five years.

The principal business of Financial Security is the sale of mutual fund shares; and, according to the order, Jack will be a salesman working in its main office directly under the supervision of its president. In addition, he would act as sales instructor for new salesmen. The Commission noted that the California court in which Jack was convicted terminated his probation; that neither the customer nor the former employer suffered any losses and both recommended that Jack be permitted to re-enter the securities business; and that the State of California authorized Jack to act as agent for Financial Security and the NASD has approved his request to engage in the securities business. The Commission concluded that it is appropriate in the public interest to permit the employment of Jack by Financial Security.

NATIONAL FUEL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14853) authorizing National Fuel Gas Company, New York registered holding company, and ten subsidiaries, to use a method of allocating the group's consolidated income tax liabilities which will give to each of the companies included in consolidated tax returns of National and its subsidiaries the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

BASIC INC. FILES FOR SECONDARY. Basic Incorporated, 845 Hanna Building, Cleveland, filed a registration statement (File 2-21328) with the SEC on April 15 seeking registration of 63,228 outstanding shares of 5% convertible preference stock (\$50 par). Such shares will become outstanding as the result of the conversion of common shares of Falls Industries, Inc., which in May 1963 will be merged into the company. To the extent that any of the preference shares (or 143,700 common shares into which they are convertible) are sold by any of the persons who are presently stockholders of Falls, it is expected that the sales will be effected in transactions on a national securities exchange at prices current at the time of sale (maximum \$44.75 per share*). The merger agreement is subject to stockholder approval of both companies.

The company is engaged in the production of basic refractory materials used in the construction of hearths and more especially in the maintenance of interior surfaces of steel-making furnaces. The business of Falls is principally the manufacture and sale of processing equipment which is made in whole or in part from impervious graphite, including heat exchangers. In addition to certain indebtedness and preferred stock, the company has outstanding 1,180,497 shares of common stock, of which management officials as a group own 7.6% and the trustee under the company's profit sharing and retirement plan owns 14.6%. Howard P. Eells, Jr. is board chairman and president. Of the common shares of Falls now outstanding, 40% is owned by its management officials as a group, including 14% by Roy J. Zook, president. As a result of the merger, management officials of Falls as a group will receive 5% of the preference stock of Basic to be issued pursuant to the merger, which will be convertible into 57,250 common shares of Basic.

TENN. GAS TRANSMISSION FILES THRIFT PLAN. Tennessee Gas Transmission Company, Tennessee Building, Houston, Texas, filed a registration statement (File 2-21331) with the SEC on April 15 seeking registration of \$2,591,000 of contributions in its Thrift Plan, and 131,190 shares of common stock which may be acquired pursuant thereto.

SECURITIES ACT REGISTRATIONS. Effective April 17: The Reynolds and Reynolds Co. (File 2-21173). **Withdrawn:** March 25 - Cincinnati Enquirer Bldg. Association & Tenny Corp. (File 2-19503); March 29 - American Coffee Co. (File 2-19607), ADR Kansai Power Co. (File 2-17587); April 2 - Pan Am Realty & Development Corp. (File 2-19923), Drilexco 1963 Corp. (File 2-20635); April 5 - Floseal Corp. (File 2-20354), Teleprompter Corp. (File 2-20605); April 9 - Capehart Corp. (File 2-20543), Realty Collateral Corp. (File 2-17377), Merco Enterprises Inc. (File 2-20866); April 11 - Kavanau Corp. (File 2-20096); April 12 - Gold Leaf Pharmacal Co. Inc. (File 2-19927), Midwest Planned Investments Inc. (File 2-21171); April 15 - Bank Adamin Mortgages & Loans Ltd. (File 2-19567); April 17 - Fastpak, Inc. (File 2-19401).

*As estimated for purposes of computing the registration fee.

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