

# 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 29, 1963

Statistical Release No. 1898. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended April 26, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	4/26/63	4/19/63		High	Low
Composite	142.0*	141.2	+0.6	142.0	130.6
Manufacturing	133.3*	132.7	+0.5	133.3	121.1
Durable Goods	127.9*	127.6	+0.2	127.9	116.2
Non-Durable Goods	138.3*	137.5	+0.6	138.3	125.8
Transportation	119.5*	117.2	+2.0	119.5	106.4
Utility	180.7*	179.0	+0.9	180.7	170.3
Trade, Finance & Service	166.6*	164.6	+1.2	166.6	153.5
Mining	121.2	122.8	-1.3	122.8	104.2

\*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 25, 1963, 21 registration statements were filed, 34 became effective, 7 were withdrawn, and 385 were pending at the week-end.

TO THE PRESS, RE MARKET STUDY REPORT. The Commission is releasing today (for April 30th Newspapers) an exchange of letters between the Commission and Chairman Oren Harris of the House Interstate and Foreign Commerce Committee, the Commission's letter being in reply to Chairman Harris' letter inquiring as to the Commission's views on the recommendations contained in the April 3d Report of the Special Study of Securities Markets. Copies of the release are available at the Press Club and at the Commission's Office (425 Second Street, N.W., Room 285).

Copies of the Release also are being distributed to the Commission's mailing lists.

REGISTRATIONS OF ARTHUR C. DECKER, JR., HAROLD B. THOMPSON REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7068) revoking the broker-dealer registrations of Arthur C. Decker, Jr., Trustee, 3109 Alexander, Shreveport, La., and Harold Bernard Thompson, 834 East River Road, P. O. Box 51 (also of Shreveport).

According to the decision, Decker and Thompson were equal partners in Decker-Thompson Brokers, an unregistered broker-dealer, from July 1958 to May 1960; and they are the principal officers and stockholders of Decker-Thompson Brokers, Inc., also an unregistered broker-dealer, which was organized in April 1962 and succeeded to the business of the partnership. In its decision, the Commission sustained findings by its hearing examiner that in the offer and sale of stock of Life Underwriters<sup>1/</sup> between 1958 and 1960, Decker, Thompson, the partnership and the corporation violated the anti-fraud provisions of the Federal securities laws in that they sold such stock at \$10 per share without disclosing that the price was not reasonably related to their contemporaneous retail costs of from \$3.50 to \$8.50 per share; they failed to send confirmations of transactions to customers; and they failed to make written disclosure to customers, at or before completion of the transactions, of Decker's control position with respect to Life Underwriters. With respect to the issue of excessive mark-ups, the Commission found that the partnership and the corporation were the only broker-dealers making a market in Life Underwriters stock, and that there is no evidence of other transactions or even quotations for this stock during said period. Moreover, many of the sales involved were riskless transactions. Under these circumstances, the Commission observed, the cost of Life Underwriters stock to the partnership and the corporation is the best as well as the sole available evidence of prevailing market price, and no special or extraordinary services were shown in connection with any of the transactions sufficient to warrant the mark-ups. Violations of the Securities Act registration requirement in the sale of the stock were also found by the Commission, as well as violations of its net capital and record keeping rules. In March 1961, Decker and Thompson, with their consent, were permanently enjoined from substantially the same violations, except that Thompson was not charged with or enjoined from violating the record keeping provisions.

TEXAS TECHNICAL CAPITAL SEEKS EXEMPTION. Texas Technical Capital, Inc., Houston closed-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3680) giving interested persons until May 15, 1963 to request a hearing thereon. The company has withdrawn its registration statement filed in October 1961 pursuant to which 22 persons had subscribed for an aggregate of 27,869 common shares. The company does not contemplate offering its securities to the public, and is now in the process of liquidation.

OVER

<sup>1/</sup> Life Underwriters Insurance Corporation

**GENERAL PUBLIC UTILITIES RECEIVES FURTHER ORDER.** The SEC has issued a further order under the Holding Company Act (Release 35-14862) with respect to the acquisition (approved by the Commission in January 1962) by General Public Utilities Corporation, New York registered holding company, of certain letters of credit in connection with the sale by GPU to Meralco Securities Company of GPU's entire interest in its Philippine subsidiary, Manila Electric Company, which letters of credit were payable in nine annual installments in a face amount equal to Manila's undistributed earnings from January 1, 1961 to the date of closing. As finally determined, such undistributed earnings exceeding by \$128,074 the face amount of letters of credit previously received by GPU, and the Commission has authorized GPU, in lieu of the issuance of letters of credit for such balance, to enter into an agreement with Meralco accepting the latter's undertaking to pay that balance of Manila's undistributed earnings in nine annual installments.

**APPEALS COURT CONFIRMS CONVICTION OF D.H. ROE.** The SEC Fort Worth Regional Office announced April 19 (LR-2605) that the Fifth Circuit Court of Appeals, at New Orleans, affirmed the conviction of D. H. Roe for violations of the Securities Act registration provisions in the sale of oil and gas leases. Roe had been sentenced (USDC, ND, Texas) to four years imprisonment plus five years probation. The Court also affirmed a \$15,000 fine imposed on the defendant Stratoray Oil Corporation.

**CHARLES E. COHN ENJOINED.** The SEC New York Regional Office announced April 24 (LR-2606) the entry of a Federal court order (USDC, Newark) permanently enjoining Charles E. Cohn, of East Orange, N.J., from violations of the Commission's net capital and bookkeeping rules. The other defendants in the Commission's complaint, Phoenix Securities Co., of Montclair, N.J., and Henry S. Giannetti, Sr., of East Orange, were previously enjoined from such violations.

**ABBOTT LABS FILES STOCK PLAN.** Abbott Laboratories, North Chicago, Ill., filed a registration statement (File 2-21360) with the SEC on April 25 seeking registration of 650 participations in its Stock Retirement Plan, and 23,000 shares of common stock which may be acquired pursuant thereto.

**CLARK CABLE FILES FOR SECONDARY.** Clark Cable Corporation, 3184 West 32nd St., Cleveland, Ohio, filed a registration statement (File 2-21361) with the SEC on April 25 seeking registration of 121,915 outstanding shares of common stock, to be offered for public sale by the holders thereof through Fulton, Reid & Co., Inc., 2100 The East Ohio Building, Cleveland. Of such stock, 32,093 shares are restricted as to dividends to January 1964, and 29,995 shares to January 1965. The public offering price (maximum from \$5.85 to \$6 per share depending on dividend restrictions\*) and underwriting terms are to be supplied by amendment. The statement also relates to \$116,450 of outstanding 6½% convertible subordinated sinking fund debentures due 1972, of which \$99,900 are owned by Harold L. Duellman, a director, and \$11,050 and \$5,000 by the Clark Cable and Proof Industries Employees Profit Sharing Trusts, respectively.

The company is engaged in the manufacture and development of electronic, electrical, and mechanical systems and components, principally for use by the United States Government. It is also engaged in wholesale distribution of electrical components to the construction industry and other industrial and commercial users as well as to the Government. In addition to certain indebtedness, the company has outstanding 561,889 shares of common stock, of which J. Ed Sandford, president, William S. Beckenbach, a vice president, and management officials as a group own 19.68%, 16.35% and 43.02% respectively. Sandford proposes to sell 93,749 shares, and three others propose to sell all of their holdings aggregating 28,166 shares. According to the prospectus, Sandford has agreed to resign as an officer and director upon completion of this offering and will be employed by the company as a consultant. Beckenbach intends to purchase 25,000 shares of this offering from the underwriter, and will then own 20.80% of the company's outstanding stock.

**CONTINENTAL VENDING SUSPENSION CONTINUED.** The SEC on April 26th ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, April 27 to May 6, 1963, inclusive.

**MOLYBDENUM CORP. OF AMERICA FILES FOR SECONDARY.** Molybdenum Corporation of America, 375 Park Ave., New York, filed a registration statement (File 2-21363) with the SEC on April 26 seeking registration of outstanding warrants to purchase 14,285 common shares, to be offered for public sale by the holder thereof, Kennecott Copper Corporation, from time to time on the American Stock Exchange, Toronto Stock Exchange, or in transactions not involving Exchange facilities, at prices then prevailing. The warrants evidence the right to purchase 1.051 common shares of the company upon payment of \$30 (or \$28.54 per share). The company is engaged in manufacturing operations consisting of processing molybdenum, tungsten, rare earths, boron and columbium mineral concentrates and producing therefrom various alloys, chemicals and manufactured metal products (sold principally to the steel industry) and mining activities consisting of operating a rare earths property and exploring a molybdenum property. In addition to certain indebtedness, the company has outstanding 1,713,772 shares of common stock, of which management officials as a group own 2.7%. Lewis B. Harder is board chairman and Winslow W. Bennett is president.

**SECURITIES ACT REGISTRATIONS.** Effective April 10: Sinclair Oil Corp. (File 2-21198). Effective April 16: Hercules Powder Co. (File 2-21115). Effective April 26: Carbide Corp. (File 2-21248 and 21249); General Life Insurance Corp. of Wisconsin (File 2-21130). Effective April 27: Elfund Trusts (File 2-21301). Effective April 29: Apache Corp. (File 2-20985); Bush Hog, Inc. (File 2-21175); The Gillette Co. (File 2-21204); Globe Industries, Inc. (File 2-21179); The Putnam Management Co., Inc. (File 2-20664).

\*As estimated for purposes of computing the registration fee.