

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 63-6-18)

FOR RELEASE June 26, 1963

**ASSOCIATE UNDERWRITERS 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 stock offering by Associate Underwriters, Inc., 827 Stuart Building, Lincoln, Nebr.

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 March 29, 1962, Associate Underwriters proposed the public offering of 254,850 common shares at \$1 per share. The Commission asserts in its suspension order that it has reasonable cause to believe that the company's offering circular and a subsequent report of stock sales were false and misleading in respect of certain material facts, that certain terms and conditions of Regulation A were not complied with, and that the offering was made in violation of the Securities Act anti-fraud provisions. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations with respect to the company's offering circular relate to the failure to indicate the affiliation between the company and General Manufacturing Corp.; the failure to correctly set forth the proposed use of the proceeds; the failure to disclose that the company was not licensed to sell any securities other than its own in Nebraska or any other state; and the inclusion of financial statements which were not in agreement with the company's records. It is also alleged that the report of stock sales failed to indicate that advances had been made to General Manufacturing out of the proceeds of the offering; failed to correctly reflect salaries paid to officers and directors out of the proceeds; and reported sales made prior to the period covered by the report as having been made during the period covered. The staff also alleges that the company did not comply with Regulation A in that an offering circular was not delivered in connection with certain offers and sales of shares; and the company failed to amend its offering circular to reflect certain changes in the terms of the offering prior to offering the securities on the revised terms.

**J-F MACHINE SUSPENSION MADE PERMANENT.** J-F Machine, Diesel & Electronics, Inc., South Gulph Road, King of Prussia, Pa., has withdrawn its request for a hearing upon the Commission's order of January 23, 1963, temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of 100,000 Class A common shares of the company at \$3 per share. Accordingly, the suspension order, which was based upon misleading statements in the issuer's offering circular, has become permanent and further hearings have been cancelled.

**PACIFIC MINES SUSPENSION MADE PERMANENT.** Pacific Mines, Inc., 1218 North Central Ave., Phoenix, Ariz., has withdrawn its request for a hearing upon the Commission's order of April 22, 1963, temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed public offering of 200,000 common shares of the company at \$1.50 per share. Accordingly, the suspension order, which was based upon misleading statements in the issuer's offering circular, has become permanent and the hearing has been cancelled.

**JERSEY CENTRAL POWER & LIGHT RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14901) authorizing Jersey Central Power & Light Company, Morristown, N. J. utility subsidiary of General Public Utilities Corporation, a registered holding company, to sell to a group of banks up to an aggregate of \$19,800,000 of promissory notes. The proceeds from the proposed notes will be used, to the extent of \$7,900,000, to reimburse Jersey Central's treasury for uncanceled construction expenditures through March 31, 1963, and, in turn, to pay \$4,445,000 face amount of notes to banks outstanding at March 31, 1963. The balance of the proceeds will be applied to the cost of Jersey Central's construction program subsequent to March 31, 1963, and/or to reimburse its treasury therefor or to repay other short-term bank borrowings, effected after that date, the proceeds of which have been so applied.

**GENERAL PUBLIC UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14902) authorizing General Public Utilities Corporation, New York registered holding company, to make cash capital contributions, from time to time, to three subsidiaries as follows: Home Electric Company, \$50,000; Jersey Central Power & Light Company, \$4,600,000; and New Jersey Power & Light Company, \$2,100,000. The funds will be used by the subsidiaries to reimburse their treasuries for construction expenditures and sinking fund deposits previously made, and for further construction during 1963.

**JOSEPH ONELLO ENJOINED.** The SEC New York Regional Office announced June 24 (LR-2667) the entry of a Federal court order (USDC, NJ) permanently enjoining Joseph Onello, of Fort Lee, New Jersey, from violating the Securities Act anti-fraud provisions in the offer and sale of stock of Diversified Funding, Inc.

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**GUARDIAN INVESTMENT ENJOINED.** The SEC Washington Regional Office announced today (LR-2668) the entry of a Federal court order (USDC, DC) permanently enjoining (by default) Guardian Investment Corporation and its president, Earl J. Lombard (formerly of Washington, D.C.) from further violations of the Commission's net capital and bookkeeping rules.

**U.S. RADIUM CORP. FILES FOR SECONDARY.** United States Radium Corporation, P. O. Box 246, Morristown, N.J., filed a registration statement (File 2-21520) with the SEC on June 24 seeking registration of 25,000 outstanding shares of common stock, to be offered for public sale by the holder thereof in the over-the-counter market at prevailing prices (maximum \$9 per share\*). The company is engaged in the manufacture and sale of luminescent chemicals, edge-lighted and metal instrument panels, dials, nameplates, watch and clock dials, x-ray screens and various products involving the use of radium and radio-isotopes. In addition to certain indebtedness, the company has outstanding 249,819 shares of common stock, of which management officials as a group own 15.36%. Dean S. Edmonds is board chairman and E. Boudinot Fisher is president. The Estate of Anna U. Willis (of which Fisher is executor) holds 45,900 shares (18.37%) and proposes to sell the 25,000 shares.

**EMHART MFG. FILES STOCK PLANS.** Emhart Manufacturing Company, 950 Cottage Grove Road, Bloomfield, Conn. filed a registration statement (File 2-21521) with the SEC on June 24 seeking registration of 62,793 shares of common stock, to be offered pursuant to its 1954, 1959 and 1960 Restricted Stock Option Plans for Executives and Managerial Employees and pursuant to certain stock option agreements.

**CROSBY PLANS FILES FOR OFFERING.** Crosby Plans Corporation, 31 Milk St., Boston, depositor for Fidelity Fund Accumulation Plans, filed a registration statement (File 2-21522) with the SEC on June 25 seeking registration of \$5,000,000 of single payment plans and \$20,000,000 of systematic payment plans, for the accumulation of shares of Fidelity Fund, Inc.

**CANADIAN RESTRICTED LIST.** The SEC has removed Primary Gold Mines Limited from its Canadian Restricted List, thus reducing to 253 the number of companies whose securities the Commission has reason to believe recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

**AMERICAN & FOREIGN POWER FILES FOR SECONDARY.** American & Foreign Power Company Inc., 100 Church St., New York, today filed a registration statement (File 2-21523) with the SEC seeking registration of 250,000 outstanding shares of its common stock, to be offered for public sale by Electric Bond and Share Company from time to time on the New York Stock Exchange or at private sale off such Exchange, either at market or at a price within a range not lower than the bid price nor higher than the asked price quoted on said Exchange at the time of such offering (maximum \$12.75 per share\*). The issuer is primarily a holding company with public utility subsidiaries operating in Brazil, Chile, Costa Rica, Ecuador, Guatemala, Panama and Venezuela. In addition to certain indebtedness and preferred stock, it has outstanding 7,312,526 common shares. Bond and Share will own 3,690,791 shares (50.5%) of the outstanding shares if all of the 250,000 shares are sold.

**SECURITIES ACT REGISTRATIONS.** Effective June 25: Brentwood Financial Corp. (File 2-21427); Lockwood, Kessler & Bartlett, Inc. (File 2-21441); Texas Eastern Transmission Corp. (File 2-21472). Effective June 26: American Annuity Life Insurance Co. (File 2-21244); Superior Benefit Life Insurance Co. (File 2-21223); Woman's Life Insurance Co. of America, Inc. (File 2-21237); Zausner Foods Corp. (File 2-21436). Withdrawn June 24: Carpenter Oil Co. (File 2-21396); Life Assurance Co. of Penna. (File 2-21233); Signalite Inc. (File 2-19710).

**SCIENCE INVESTMENTS INC. ENJOINED.** On June 25th, the U. S. District Court in Boston entered a final judgment permanently enjoining Science Investments, Inc., of Worcester, Mass., and Murray W. Edinburg, its promoter and former president and board chairman, from further violating the registration provisions of the Securities Act and Investment Company Act as well as certain other provisions of the latter. Science Management, Inc., was permanently enjoined from acting as investment adviser or principal underwriter of any registered investment company. The defendants consented to the judgment, but without admitting the allegations of the complaint. Philip Nigro and Joseph T. Fahy were named receivers for Science Investments by the court. The action was dismissed as to other defendants on motion of the Commission. (LR-2666)

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

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