

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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Statistical Release No. 1926. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended September 13, 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	
	9/13/63	9/6/63		High	Low
Composite	148.8*	148.1	0.5	148.8	130.6
Manufacturing	140.1*	139.3	0.6	140.1	121.1
Durable Goods	136.1*	135.4	0.5	136.1	116.2
Non-Durable Goods	143.9*	143.1	0.6	143.9	125.8
Transportation	128.1	129.6	-1.2	131.7	106.4
Utility	183.1	182.9	0.1	183.2	170.3
Trade, Finance & Service	180.9*	179.8	0.6	180.9	153.8
Mining	135.0	133.6	1.0	135.6	104.2

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 12, 1963, 14 registration statements were filed, 25 became effective, 1 was withdrawn, 1 was suspended by stop order, and 266 were pending at the week-end.

HOOVER CO. FILES STOCK PLAN. The Hoover Company, North Canton, Ohio, filed a registration statement (File 2-21699) with the SEC on September 12 seeking registration of 23,473 shares of Class B common stock, to be offered pursuant to its Restricted Stock Option Plan.

PACIFIC SOUTHWEST AIRLINES FILES FOR SECONDARY. Pacific Southwest Airlines, 3100 Goddard Way, San Diego, Calif., filed a registration statement (File 2-21700) with the SEC on September 13 seeking registration of 79,477 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by E. F. Hutton & Company, Inc., 623 South Spring St., Los Angeles. The public offering price (maximum \$40 per share*) and underwriting terms are to be supplied by amendment. The company provides daily air passenger service between the Los Angeles, San Francisco and San Diego metropolitan areas. In addition to certain indebtedness, the company has outstanding 566,500 shares of common stock, of which the Estate of Jean H. Friedkin (for the benefit of Thomas Friedkin, a director) holds of record 11% and management officials as a group own 33%. Victor R. Lundy and Lottie L. Lundy, both directors, own 70,684 shares (12.46%) and propose to sell 64,684 shares; and Douglas T. Kelley, also a director, owns 15,293 shares and proposes to sell 14,793 shares. J. Floyd Andrews is president.

WEN PRODUCTS FILES FOR SECONDARY. Wen Products, Inc., 5810 Northwest Highway, Chicago, filed a registration statement (File 2-21701) with the SEC on September 13 seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by Nickolas T. Anton, president and principal stockholder. Hayden, Stone & Co., Inc., 25 Broad St., New York, heads the list of underwriters. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment. The company is primarily engaged in the manufacture and sale of electrically powered hand tools, including electric saws, soldering guns, sanders, planers and drills. It has outstanding 250,000 common and 550,000 Class B shares, of which Anton owns 90% in the aggregate (his family owning the remaining shares). Anton proposes to sell the 200,000 common shares.

CETRON ELECTRONIC FILES FOR SECONDARY. Cetron Electronic Corporation, 715 Hamilton St., Geneva, Ill., filed a registration statement (File 2-21702) with the SEC on September 13 seeking registration of 289,813 outstanding shares of common stock, to be offered for public sale by the holders thereof in the over-the-counter market at prices prevailing at the time of sale (maximum 75c per share*). The company is principally engaged in the engineering, development, manufacture and sale of industrial electronic tubes; and, through a subsidiary, it maintains manufacturing, tooling and engineering facilities for job-order operations. According to the prospectus, the company has a retained-earnings deficit which, on a consolidated basis, amounted to \$1,206,845 on November 30, 1962 and \$1,149,244 on May 31, 1963. In addition to certain indebtedness, the company has outstanding 957,808 shares of common stock, of which Paul Wallins, president, owns 10.2% and management officials as a group 11.8%. The prospectus lists 62 selling stockholders including Edward M. Cowett, as trustee in dissolution for the respective shareholders of AE, Incorporated, of New York, who proposes to sell all of 110,750 shares held. In addition Jacob D. Waldman and E. Roy Dickson propose to sell all of their holdings of 82,761 and 24,375 shares, respectively. Others propose to sell amounts ranging from 15 to 20,000 shares. Of the 289,813 shares to be offered by the selling stockholders, 110,750 shares are to be sold by former owners of Associated Engineers, Inc., a wholly owned subsidiary of the company, 29,052 shares by certain unsecured creditors of Associated, and 150,011 shares by individual shareholders of the company.

OVER

NASD EXPULSION OF BABSON-KAYE FIRM AFFIRMED. In a decision announced today (Release 34-7142), the SEC affirmed the disciplinary action of the National Association of Securities Dealers, Inc., in expelling the New York firm of Babson, Kaye & Robb Co. from NASD membership for engaging in the conduct of a securities business in November 1960 while its current liabilities exceeded its current assets and while in violation of the SEC net capital rule.

The firm disputed the NASD findings as to the firm's liabilities and net capital deficiencies; but the Commission concluded that the record did not support its contentions and that the firm had a net capital deficit of at least \$61,717 on October 31, 1960, and \$79,843 on November 14, 1960. The Commission also sustained the NASD finding that the firm violated its record-keeping rules in November and December 1960, in that the firm's customer ledger accounts did not adequately reflect the receipt and delivery of securities, the unit price of shares bought and sold and, on occasion, the appropriate money credits.

Accordingly, the Commission agreed with the NASD's determination that the firm should be expelled from NASD membership (its broker-dealer registration was withdrawn in February 1962). Irving K. Babson and Philip Kaye, general partners, who were each found to be a cause of the expulsion and whose registrations as registered representatives had been revoked by the NASD, had joined in the firm's appeal. As to them, the Commission affirmed the NASD disciplinary action; but it concurred in the NASD's conclusion that the action should not bar their re-entry into the industry under adequate supervision.

GREATER WASHINGTON INDUSTRIAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3764) authorizing Greater Washington Industrial Investments, Inc., Washington, D. C. closed-end investment company, to exchange a \$400,000 convertible debenture of Mount Vernon Research Company, of Virginia, for 144,000 common shares of Mt. Vernon and a \$40,000 8% note secured by certain equipment owned by Mt. Vernon. The company also intends to grant to Mt. Vernon a five-year option to purchase 24,000 shares of Mt. Vernon stock at \$1 per share, to enable Mt. Vernon to grant options to employees with respect to such shares from time to time. As a result of these transactions, the company will have an approximate 49% equity interest in Mt. Vernon.

CARDINAL DRILLING ENJOINED. The SEC Chicago and Fort Worth Regional Offices announced September 11 (LR-2739) the entry of a Federal court order (USDC, Cleveland) permanently enjoining (with their consent) Cardinal Drilling Company, Inc., G. Harry Porter, its president, both of Shreveport, La., and Albert D. Ramunno, John A. Ramunno and Guy Lalama, of Youngstown, Ohio, from further violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of fractional undivided working interests in oil and gas leases.

TRADING IN TASTEE FREEZ SUSPENDED. The SEC today ordered the suspension of trading in the common stock of Tastee Freez Industries, Inc., of 2518 West Montrose Ave., Chicago, Ill., for the ten-day period September 16 to 25, 1963, inclusive.

The suspension of trading in Tastee Freez common stock on the American Stock Exchange was announced earlier this date by that Exchange. The Commission's action, taken pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 has the effect of banning trading both on the Exchange and in the over-the-counter market.

The Commission's action was taken because of serious questions as to the adequacy of currently available financial information upon which investors may make an informed evaluation of the Tastee Freez common stock. Accordingly, it was deemed advisable to ban trading in the shares on both the Exchange and over-the-counter markets until such time as the situation with respect to the financial condition of the company has been clarified.

Tastee Freez is engaged in the business of franchising and supplying chains of stores and mobile units selling ice cream and other food products. On September 4, 1963, it filed a petition in the U. S. District Court in Chicago for an arrangement with creditors under Chapter XI of the Bankruptcy Act.

*As estimated for purposes of computing the registration fee.

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