

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE December 13, 1963

**MURRAY LAFAYETTE SMITH REEMPLOYMENT APPROVED.** In a decision announced today (Release 34-7192) the SEC approved the application of the National Association of Securities Dealers, Inc. for continuance of an NASD firm in membership while employing Murray Lafayette Smith as a controlled person. In July 1961, following his plea of guilty, Smith was convicted and fined \$5,000 for, among other things, making untrue and misleading statements in connection with the sale of some insurance stock. The record indicates that at that time Smith had been engaged in the securities business for less than two years and, although the crime of which he was convicted was serious, his personal participation was relatively minor. When imposing the sentence the trial judge did not find that Smith's acts involved moral turpitude and stated that he did not intend to bar Smith's future employment in the securities business. The record shows that the president of the member firm proposing to employ Smith will give personal and direct supervision and will review daily all of Smith's transactions.

**OLD COLONY SECURITIES REVOKED.** The SEC has issued a decision under the Securities Exchange Act (Release 34-7193) revoking the broker-dealer registration of Old Colony Securities Corporation, 321 Broadway, Malden, Mass. and finding that Martin Stone, president, treasurer, director and principal stockholder is a cause of the revocation order. The Commission ruled that in the offer and sale of securities of Elm Instrument Co. in the Fall of 1962 the firm and Stone violated the registration and anti-fraud provisions of the Securities Act. In the sale of Elm securities, according to the decision, false and misleading statements were made concerning the source and the existing and future market value of Elm's securities; the amount of Stone's investment in Elm; the existence, size, backlog and potential value of orders held by Elm; the number of contracts to be performed by Elm; and the proposed merger of Elm with another company which would result in Elm's securities increasing in value. Moreover, the firm was permanently enjoined in March 1963 by Federal court order.

**ELECTRONICS CAPITAL CORP. RECEIVES ORDER.** The SEC has issued an order (Release IC-3856) exempting Electronics Capital Corporation, Electronics Capital Building, San Diego, Calif. from certain provisions of the Investment Company Act with respect to proposed transactions between affiliated persons incident to the merger of Alloyd Electronics Corporation and General Vacuum Corporation.

**INVESTORS DIVERSIFIED RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-3859) permitting the sale by Investors Diversified Services, Inc., Investors Bldg., Minneapolis, to Investors Syndicate of America, Inc., an affiliated company, of the first mortgage loan on Baker Block Land Trust.

**COURT ORDER ENJOINS NEW RUFUS ARGENTA MINES LTD. & OTHERS.** The SEC Seattle Regional Office announced December 9 (LR-2798) the entry of a Federal court order (USDC Seattle) permanently enjoining New Rufus Argenta Mines Limited (a British Columbia corporation), Samuel A. Liening, Herbert R. Kirby and Wilbur L. McGuire from the further sale of unregistered securities of New Rufus Argenta Mines Ltd.

**INDICTMENT NAMES HOWARD S. MILLER & OTHERS.** The SEC San Francisco Regional Office announced December 9 (Release LR 2799) that a Federal grand jury at Los Angeles had returned a 31-count indictment against Howard S. Miller, Gloria Grossman, Mitchell J. Grossman, Harvey Sterman, Donald McDonald and Joseph H. Collin. The indictment charged that the defendants devised and executed a scheme and artifice to defraud, in violation of the Securities Act and the Mail Fraud Statute, in connection with the sale of real estate securities created under a "10% Investment Program" offered by Beverly Hills Security Investments of Beverly Hills, Calif.

**MIDLAND CAPITAL RECEIVES ORDER.** The SEC issued an order today (Release IC-3858) exempting from certain provisions of the Investment Company Act proposed transactions between Midland Capital Corporation, 110 William St., New York City, and Florence Nightingale Incorporated (referred to as Florence Nightingale Nursing Home, Inc. in the notice regarding this matter), which is to be organized under New York law as a small business concern. Midland proposed to invest up to \$500,000 in the said corporation, which plans to construct a nursing home at 167-175 East 96th St., in New York.

**MARQUETTE CORP. FILES STOCK PLAN.** Marquette Corporation, 307 East Hennepin Ave., Minneapolis, filed a registration statement (File 2-21946) with the SEC on December 12 seeking registration of 100,000 shares of common stock to be offered to selected employees pursuant to the company's 1963 Restricted Stock Option Plan.

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**PURINA FILES STOCK PLAN.** Ralston Purina Company, 835 South Eighth St., St. Louis, Mo., filed a registration statement (File 2-21945) with the SEC on December 12 seeking registration of 140,000 shares of common stock, to be offered to eligible employees pursuant to the company's Stock Purchase Plan.

**HANNA MINING RECEIVES ORDER.** The SEC today issued an exemption order under the Investment Company Act (Release IC-3860), permitting the proposed purchase by The Hanna Mining Company, Cleveland, from Wheeling Steel Corp., of 6,000 shares of capital stock of Hanna Ore Mining Company and 350 shares of Class A capital stock of Douglas Mining Company, as well as the assumption by Hanna Mining of Wheeling's obligations to purchase iron ore from Hanna Ore and Douglas.

**REPUBLIC FINANCIAL FILES FOR OFFERING.** Republic Financial, 52 East Gas St., Columbus, Ohio, filed a registration statement (File 2-21944) with the SEC on December 12 seeking registration of 50,000 shares of Beneficial Interest in the Trust, to be offered for public sale on an "all or none" basis through underwriters headed by The First Columbus Corporation. The offering price will be \$8.00 per share, with a discount to the underwriter of \$.80 per share.

Republic Financial, an unincorporated business trust, was organized July 15, 1963 under Ohio laws for the purpose of providing investors with an opportunity to own, through transferable shares of beneficial interest to be issued by the Trust, an interest in real estate to be leased to Federal or state governments. According to the prospectus, the Trust intends to qualify as a "real estate investment trust" under the Internal Revenue Code. The proceeds from this offering will be used to acquire three buildings - two existing buildings at Sharon, Pa. and Owensboro, Ky., and one under construction in Southport, Indiana. Any remaining funds will be used for working capital. In order to facilitate ultimate acquisition of the two existing buildings, these properties were purchased by The Court Realty Company (subject to pre-existing contracts of purchase, contingent upon this offering, between the realty company and Republic Financial). All of the common stock of Court Realty is owned by Charles T. Livezey and family. Livezey is a vice president and director of the underwriter and, together with his wife, owns 7.1% of the common stock thereof. Court Realty owns 57.1% of the 5% cumulative preferred stock of The First Columbus Corporation. The building under construction is to be purchased from Ohio Financial Corporation, 40% of the common stock of which is owned by First Columbus and 60% by First Columbus' Employees' Profit-Sharing Trust, in which Ned K. Barthelmas and William E. Deegan have a beneficial interest (as employees of First Columbus). Barthelmas and Deegan, president and vice-president, respectively, of First Columbus, are two of the original trustees and they and First Columbus are parents of the Trust.

**SECURITIES ACT REGISTRATIONS.** Effective December 12: Great Southwest Corp. (File 2-21862); High Voltage Engineering Corp. (File 2-21775); Jones & Laughlin Steel Corp. (File 2-21910); United Aircraft Corp. (File 2-21833).

**ORAL ARGUMENTS, COMING WEEK.** December 17, 2:30 P.M. Vranken Investors Corp.  
December 17, 3:15 P.M. C. A. Benson & Co., Inc.  
December 18, 2:30 P.M. Great Lakes Industries, Inc.

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