

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 27, 1964

Statistical Release No. 1972. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended April 24, 1964, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1964 is as follows:

	1957-59 = 100		Percent Change	1964	
	4/24/64	4/17/64		High	Low
Composite	162.5	164.1	-1.0	164.1	153.6
Manufacturing	154.0	155.6	-1.0	155.6	144.6
Durable Goods	150.2	152.0	-1.2	152.7	141.5
Non-Durable Goods	157.7	159.2	-0.9	159.2	147.7
Transportation	150.8	153.7	-1.9	154.1	138.3
Utility	196.3	198.0	-0.9	199.2	192.1
Trade, Finance & Service	190.1	191.6	-0.8	191.6	176.6
Mining	152.6	153.4	-0.5	153.4	139.2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 23, 1964, 36 registration statements were filed, 33 became effective, and 324 were pending at the week-end.

FRENCH EMPLOYMENT CLEARED. The SEC has issued an order under the Securities Exchange Act (Release 34-7297) approving an NASD application for the continuance of a firm in membership while employing Robert Dermot French (of Houston) as a controlled person. Such clearance is required by reason of certain disqualifications with respect to French. His prior employment by another firm had been cleared by an SEC order of January 1962.

UTAH MID AMERICA SECURITIES REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7298) revoking the broker-dealer registration of Mid America Securities, Inc. of Utah (Midvale, Utah), for violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Unita National Insurance Company. Linden C. Maxfield, Susan M. Hone and Rhae Peterson, Mid America's principal officials, Reed Maxfield and Norman Hays, former officer, were each found to be a cause of the revocation order. Mid America and the individual respondents consented to the action.

According to the decision, Mid America made false and misleading statements in the sale of Unita stock, concerning stock options given to certain individuals for the use of their names as advisers to Unita; the commitment of these advisers to direct certain business under their control to Unita; the value, anticipated increase in market price, and marketability of Unita stock; the nature and regulation of Unita's investments; and Unita's profit potential. Moreover, there was a failure to disclose in transactions with customers of Mid America that Mid America and Unita were under the common control of Reed Maxfield. The two Maxfields, Hone and Peterson were found to have aided and abetted these violations by Mid America, as well as the latter's violations of the Commission's record-keeping requirements.

In addition, Mid America violated the Commission's reporting requirements by reason of its failure to disclose in its registration application that it was controlled by Reed Maxfield until February 1959 and by Hays thereafter; the failure to disclose the January 1963 conviction of Hays on a plea of guilty to a misdemeanor charge under the Exchange Act (he was placed on probation for two years); and the failure to file reports of financial condition for the years 1958-62. All the individual respondents are said to have aided and abetted these violations.

W E FRAZIER CO. INC. WITHDRAWS REGISTRATION. The SEC today announced a decision under the Securities Exchange Act (Release 34-7299) permitting W. E. Frazier & Company, Inc. (Pittsburgh), to withdraw its registration as a broker-dealer; and the Commission dismissed its administrative proceedings to determine whether the Frazier firm's registration should be revoked. The action was based upon the failure of the firm's registration application to disclose the past association of its president and sole stockholder, Willis E. Frazier, Jr., with other broker-dealer firms, as well as the firm's failure to file the required report of financial condition. However, according to the decision, the application was prepared by Frazier's attorney who erroneously interpreted the item requiring disclosure of "any connection with or financial interest in" any other broker-dealer as being limited to a proprietary or financial interest.

In May 1962 the Frazier firm was denied registration as a securities dealer by the Pennsylvania Securities Commission (because of inexperience in the management or operation of a securities business), whereupon the firm abandoned its plan to engage in the securities business and Frazier became a salesman for another firm. The Commission concluded that the circumstances here involved were not such as to require revocation of the Frazier firm's broker-dealer registration or to bar Frazier from employment with another firm in a supervised capacity.

OVER

WODE & CO. INC. REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7300) revoking the broker-dealer registration of Wode & Company, Inc., 1521 Cleveland Place, Denver, for violations of the anti-fraud provisions of the Federal securities laws in the sale of stock of Green Shield Plan, Inc. Edward E. Wode, Jr., president, and Marvin Beckwith, Thomas Searls and Gordon Shuck, employees of Wode & Co., were each found to be a cause of the revocation order. Wode & Co., Wode, Searls and Shuck waived a hearing and consented to the revocation order. Beckwith contested the action.

According to the Commission's decision, Wode & Co., together with the four individuals, made false and misleading statements in the offer and sale of Green Shield Plan stock with respect to, among other things, the value of the stock, its safety as an investment, increases in its price, future prospects of the company, registrant's length of time in the securities business, and registrant's repurchase of the stock from investors at a price at least equal to what they had originally paid. Various misrepresentations were attributed to Beckwith, including representations that the stock would double within a few months (it was being offered and sold from August 1961 to May 1962 at prices of \$5.50 to \$11 per share) and might go as high as \$30 per share by the fall of 1962. According to the Commission, information assertedly received by Beckwith regarding a merger and that Green Shield was operating "in the black" did not furnish any reasonable basis for his extravagantly optimistic representations. Moreover, in fact no merger was ever consummated, and Green Shield had a consolidated deficit of over \$150,000 as of January 31, 1962, as well as operating losses for the months of January, February and March 1962. Beckwith also distributed a booklet describing how certain insurance companies had grown, without discussing differences between Green Shield and the listed companies, and without explaining that there was no assurance that the growth of the listed companies would be attained by Green Shield.

POWELL & MCGOWAN REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7302) revoking the broker-dealer registration of Powell & McGowan, Inc., 1826 North Central Ave., Phoenix, Ariz., for violations of the anti-fraud and other provisions of the Federal securities laws in its transactions with firm customers. James D. McGowan and Elmer J. Powell, president and vice president, respectively, of the said firm ("registrant") were each found to be a cause of the revocation order.

At the same time, the Commission permitted effectiveness of an application for broker-dealer registration filed by R. T. Kittleson Investments, Inc., of 1807 North Central Ave., Phoenix, whose president, Robert T. Kittleson, was a former employee of registrant. The Commission concluded that the evidence did not support the charge that Kittleson participated in registrant's violations; and, although there was a failure to disclose in Kittleson's registration application certain past associations with other firms, Kittleson successfully urged certain extenuating circumstances.

With respect to Powell & McGowan, the Commission ruled that it had engaged in certain transactions with customers at prices "not reasonably related to the current market and which were unfair." In ten transactions, securities were sold to customers at prices which represented mark-ups ranging from 5.4% to 18.2% over the prices paid by registrant on its purchases of the same securities on the same day as the sale; and in four other transactions the mark-up ranged from 5.7% to 13.5% above the cost to registrant in purchases within one day of the sale.

Moreover, according to the decision, McGowan induced an elderly person to enter into a subordination agreement providing for the loan to registrant of investment company shares which it had recently sold to the customer, when registrant knew that it was losing money, that it then had a net capital deficiency under the Commission's net capital rule, and that the transaction, which McGowan acknowledged involved a substantial risk to the customer, admittedly was designed to supply needed capital to registrant. "The self-serving recommendation made here," the Commission observed, "particularly in light of the known physical and mental condition of the customer, was so grossly inappropriate as to constitute overreaching and violation of the anti-fraud provisions cited above."

The Commission also held that Powell & McGowan had violated its net capital, record-keeping and reporting requirements.

TWO LOS ANGELES FIRMS, OTHERS ENJOINED. The SEC San Francisco Regional Office announced April 23d (LR-2904) the entry of a Federal court order (USDC Los Angeles) preliminarily enjoining violations of the Securities Act registration provisions by Diversified Securities Corporation, Leon Kimel, Donald A. Forsblade, Assurance Investment Company, Harold M. Pelton, and Patrick Clements in the offer and sale of Kramer-American Corp. stock. Certain of the defendants consented to the injunction and others defaulted. Kramer-American and Vern Cogle previously consented to a permanent injunction.

SEC SEEKS COURT ORDER ON HYDROCARBON CHEMICALS STOCK SALE. The SEC New York Regional Office announced April 23d (LR-2905) the filing of Federal court action (USDC, Newark, N.J.) seeking to enjoin violations of the Securities Act registration requirements by the following in the offer and sale of securities of Hydrocarbon Chemicals, Inc. and its subsidiary, Hydrocarbon Pipeline Co.: Paul N. Belmont, Mantoloking, N.J., Bank of Commerce, New York City, Robert F. Euwer, Short Hills, N.J., Jerome J. Gunther & Co., Hillside, N.J., Harry Duckworth, Toms River, N. J., John Albert Williams, Springfield, N.J., Charles T. Cubellis, Palm Beach, Fla., A. George Kavner, Rumson, N.J., David H. McAvoy, Fort Lauderdale, Fla., Philip Comora, Elberon, N.J., Anthony DePetro, Spring Lake, N.J., Harry S. Ivory, Herbertsville, N.J., A. Lee Wheeler, Point Pleasant Beach, N. J., Merle B. Kenwood, Fair Lawn, N.J., Arthur H. Witmond, Englewood, N.J., and Jack F. Perkins, Jr., Plano, Texas.

IMC INDUSTRIES FILES FINANCING PROPOSAL. IMC Industries, Inc., 3400 Democrat Rd., Memphis, Tenn., filed a registration statement (File 2-22342) with the SEC on April 24 seeking registration of \$2,500,000 of 6% convertible debentures (due 1976) and 75,000 shares of common stock. The securities are to be offered separately to the public (at \$7 per share and \$500 per debenture) through an underwriting group headed by White & Company, Inc., St. Louis, Mo., which will receive 70¢ per share sold and \$42.50 per debenture sold.

The company is a manufacturer of specialized metal components, hardware and building material, garden equipment and springs for bedding and other upholstered products. Of the net proceeds of this financing, approximately \$1,000,000 will be added to the company's working capital to finance its increased sales and greater inventories and accounts receivable; about \$1,000,000 will be used to reduce the company's short-term indebtedness, including a \$200,000 loan from W. N. Wilkerson & Company (a corporation wholly owned by W. N. Wilkerson, company president); \$722,500 will be used for property additions and improvements; and the remaining proceeds will be added to working capital. In addition to indebtedness, the company has outstanding 1,028,735 shares of common stock, of which management officials as a group own 64.4% (including 32.4% owned by Wilkerson).

VIRCO MFG. FILES FOR OFFERING AND SECONDARY. Virco Mfg. Corporation, 15134 S. Vermont Ave., Los Angeles, filed a registration statement (File 2-22343) with the SEC on April 24 seeking registration of 200,000 shares of common stock. Of this stock, 75,000 shares are to be offered for public sale by the company and 125,000 shares (being outstanding stock) by the present holders thereof. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. Crowell, Weedon & Co., 629 S. Spring St., Los Angeles, is listed as principal underwriter.

The company is engaged primarily in the manufacture and sale of classroom furniture to public and parochial schools throughout the United States. It also manufactures and sells folding banquet tables and folding chairs and a line of plastic houseware products sold under the trade name "Plas-Tex." Net proceeds from the company's sale of additional stock will be added to its working capital, to replace funds loaned to a subsidiary for the purpose of acquiring new machinery and equipment used primarily in the production of plastic houseware products. In addition to indebtedness, the company has outstanding 774,756 shares of common stock. The prospectus lists four selling stockholders, as follows: Julian A. Virtue (president), offering 80,000 of his holding of 474,794 shares; Fred E. and Irma Steinitz, offering 20,000 of their combined holdings of 30,758 shares; Edmond and Hazel C. Favre, offering 20,000 of their combined holdings of 27,547 shares; and Elmer H. Howlett (vice president), offering 5,000 of his holding of 25,000 shares. The proposed sales will reduce the aggregate holdings of management officials from 72.4% to 56% of the outstanding common shares.

LILY LYNN FILES FOR OFFERING AND SECONDARY. Lily Lynn, Inc., Riverside Ave., New Bedford, Mass., filed a registration statement (File 2-22345) with the SEC on April 24 seeking registration of 140,000 shares of Class A common stock. Of this stock, 68,850 shares are to be offered for public sale by the company and 71,150 (being outstanding stock) by the present holders thereof. A. G. Edwards & Sons, 409 N. Eighth St., St. Louis, Mo., is listed as principal underwriter. The public offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of casual dresses for women. Net proceeds from its sale of additional stock will be added to the working capital and will be available for general corporate purposes (\$300,000 of the proceeds will initially be applied to the payment of current bank loans). In addition to indebtedness, the company presently has outstanding 136,650 shares of Class A common stock and 284,800 shares of Class B common stock. The prospectus lists five selling stockholders, as follows: Abraham A. Tepper (president), Arthur Bishins (treasurer), Herman L. Bishins (board chairman) and Mark Riche (director), who are offering all their Class A shares, amounting to 29,696, 23,962, 13,642 and 2,850 shares, respectively. Arthur Fabricant (vice president) is offering 1,000 shares of his Class A holding of 1,500 shares. Upon completion of this offering, management officials as a group will own 58% of the total shares outstanding by reason of their holdings of Class B shares.

CLOW & SONS FILES FOR OFFERING AND SECONDARY. James B. Clow & Sons, Inc., 201-299 N. Talman Ave., Chicago, Ill., filed a registration statement (File 2-22346) with the SEC on April 24 seeking registration of 260,980 shares. Of this stock, 40,000 shares are to be offered for public sale by the company and 210,980 (being outstanding stock) by the present holders thereof. The offering price (\$24 per share maximum*) and underwriting terms are to be supplied by amendment. Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York, N. Y., is listed as principal underwriter. The underwriters will offer 10,000 of the company shares to designated employees of the company.

The company is engaged in the manufacture and sale of cast iron pressure pipe and fittings, gate valves, fire hydrants, and other accessories used in the distribution of water and gas, and in the jobbing and wholesaling of plumbing, heating and airconditioning equipment. It also is engaged in the manufacture and sale of vitrified clay sewer pipe and fittings used in sanitary and storm sewer lines. Net proceeds from the company's sale of additional stock will be used to replace funds spent to re-acquire shares of its common stock. In addition to indebtedness and preferred stock, the company has outstanding 1,253,128 shares of common stock, of which management officials as a group own 18.4%. The selling stockholders represent families of Kent S. Clow (deceased), offering 66,000 shares of holdings aggregating 395,250 shares; Harry B. Clow (director), offering 66,000 shares of holdings aggregating 359,066; and J. Beach Clow (deceased), offering 66,200 shares of holdings aggregating 239,464. Five additional selling stockholders are offering a total of 12,780 shares of their aggregate holdings of 43,874 shares. John Madden is listed as president of the company.

JEWEL TEA FILES STOCK PLANS. Jewel Tea Co., Inc., 135 S. LaSalle St., Chicago, filed registration statements with the SEC on April 24 seeking registration of common stock as follows: (1) File 2-22347: 62,238 shares, to be offered under the company's Employee Stock Purchase Plan; and (2) File 2-22348: 212,768 shares, to be offered under its Stock Option Plans.

WISCONSIN PUBLIC SERVICE PROPOSES OFFERING. Wisconsin Public Service Corporation, 1029 North Marshall St., Milwaukee, Wis., filed a registration statement (File 2-22349) with the SEC on April 24 seeking registration of \$18,000,000 of First Mortgage Bonds, due 1994, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to finance construction expenditures, including the payment of bank loans incurred for interim financing of the construction program. Construction expenditures are estimated at \$19,000,000 for 1964 and \$9,000,000 for 1965.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the April 1st News Digest.

New Plan Realty Corp Mar. 1964 (2,7,8,13)	Plastic Applicators Inc Mar. 1964 (11)
Southern Bell Tel & Tel Co Mar. 1964 (11,12)	Lamson & Sessions Co Mar. 1964 (11)
Thompson-Starrett Co Inc Mar. 1964 (12)	Lansing Stamping Co Mar. 1964 (7,12)
Boston Edison Co Mar. 1964 (11,13)	Superior Oil Co Mar. 1964 (3,12)
General Electric Co Mar. 1964 (3)	Gulf American Land Corp Mar. 1964 (2,12)
Honolulu Gas Co Inc Mar. 1964 (11)	Old Town Corp Mar. 1964 (6,12)
Lihue Plantation Co Ltd Mar. 1964 (11)	Fresnillo Co Mar. 1964 (1,13)
Southland Life Insurance Co Mar. 1964 (7,10,11,13)	Southern Pacific Co Mar. 1964 (7,12)
Cott Corp Mar. 1964 (12,13)	Maule Ind, Inc Mar. 1964 (1,7,11,13)
International Flavors & Fragrances Mar. 1964 (13)	Standard Tube Co Mar. 1964 (11)
National Sugar Refining Co Mar. 1964 (11)	Peoples Gas Light & Coke Co March 1964 (12)
National Video Corp-Rico Electronics Mar. 1964 (3)	American Metal Climax Inc Mar. 1964 (12)
Independence Life Insurance Co of America Mar. 1964 (11)	Inpak Systems Inc Mar. 1964 (11)
Interstate United Corp Jan 1964 (2,4,13) Mar. 1964 (3,11,13)	Star Ind, Inc Mar. 1964 (3,13)
Madison Square Garden Corp Mar. 1964 (2,13)	Avery Products Inc Mar 1964 (8,11,13)
	Holland Furnace Co Mar. 1964 (2,12)
	I-T-E Circuit Breaker Co Mar. 1964 (3)
	Nuclear Data Inc Feb. 1964 (8)
	Phillips-Echardt Electronic Corp Mar. 1964 (2,13)

SECURITIES ACT REGISTRATIONS. Effective April 24: E. W. Bliss Co. (File 2-22252); International Telephone and Telegraph Corp. (File 2-22166).
Effective April 27: Conso Products, Inc. (File 2-22221); Remanco, Inc. (File 2-22123).

*As estimated for purposes of computing the registration fee.

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