

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE July 10, 1959

## SUSPENSION OF TRADING IN JACOBS CO. STOCK CONTINUED

The SEC today announced the issuance of an order suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter market for a further ten-day period, July 11 to July 20, 1959, inclusive (Release 34-6016). The hearing in administrative proceedings to determine whether to order withdrawal of the stock from the New York Stock Exchange is scheduled for August 3, 1959. The company is undergoing reorganization in proceedings pursuant to Chapter X of the Bankruptcy Act pending in the U. S. District Court in Detroit.

## ABRAHAM ROSEN REGISTRATION REVOKED

The SEC today announced the issuance of a decision (Release 34-6010) revoking the broker-dealer registration of Abraham Rosen (doing business as Al Rosen & Co.), 62 Boylston St., Boston, for conducting a securities business while insolvent and for failure to comply with Commission rules governing the maintenance of proper business records. Rosen also was expelled from membership in the National Association of Securities Dealers, Inc. The Commission's action also was based upon a Federal Court decree enjoining Rosen from continuing such unlawful actions.

According to the decision, during the period February 28 to August 28, 1958, Rosen's liabilities exceeded his assets and he was unable to meet his current liabilities as they arose. During this period he conducted a securities business without disclosing that he was insolvent, and with the implied representation that he was solvent, which was false, thus violating the anti-fraud provisions of the Securities Exchange Act.

Furthermore, an inspection of Rosen's records on June 28, 1959, disclosed that his assets and liabilities and capital accounts had not been posted since February 28, 1958, that certain assets and liabilities had not been posted as of February 28, 1958, and that certain records were not current in other respects. A further inspection on August 28, 1958, showed that certain liabilities and transactions were not recorded in Rosen's books.

Accordingly, the Commission concluded that it was in the public interest to revoke Rosen's registration and expel him from the NASD. Notice of the proceedings were sent to his last known business and home addresses but were returned unclaimed.

(NOTE TO PRESS: Copies of foregoing also available in SEC Boston Office.)

## KRAMER & CO. REGISTRATION REVOKED

The SEC today announced the issuance of a decision (Release 34-6007) revoking the broker-dealer registration of Kramer & Company, Inc., 1065 San Jacinto Building, Houston, Texas, for extensions of credit in violation of Regulation T and violations of the Commission's net capital rule. Thomas Anthony Kramer, president, was found by the Commission to be a cause of the revocation order. The company and Kramer consented to issuance of the order.

The Regulation T violation involved 41 transactions (for 30 special cash accounts) in which the company and Kramer failed to cancel or liquidate purchases by customers, notwithstanding the failure

OVER

For further details, call ST. 3-7600, ext. 5526

of such customers to make full cash payment within seven business days after the dates of purchase. In 11 of these transactions payment was more than 15 days late, and in 6 instances payment was more than 50 days late.

On various dates from June 30 to October 13, 1958, according to the decision, Kramer & Company's aggregate indebtedness exceeded the permissible limits prescribed by the Commission's net capital rule (2,000% of net capital), thus violating said rule. Thus, on June 30, September 30, and October 13, its net capital was deficient in the amounts of about \$34,000, \$44,000 and \$34,000, respectively.

In view of these violations, the Commission concluded that it was in the public interest to revoke Kramer & Company's registration as a broker-dealer.

(NOTE TO PRESS: Copies of foregoing available in SEC Houston Office)

#### BENJAMIN FRANKLIN KAUFMAN INDICTED

The SEC Boston Regional Office announced July 7, 1959, the indictment of Benjamin Franklin Kaufman on charges of violating Securities Act, Mail Fraud Statute and Stolen Property Act. Kaufman pleaded not guilty and was released on \$5,000 bail pending trial. (Release 1464)

#### DELISTMENT OF GERMAN SAVINGS BANKS SECURITIES PROPOSED

The Boston Stock Exchange has applied to the SEC for delistment of the 6% and 7% debentures of German Savings Banks & Clearing Association; and the Commission has issued an order (Release 34-6017) giving interested persons until July 22, 1959, to request a hearing thereon. According to the application, trading in these securities has been inactive; and they are in the process of being converted into other securities which will not be listed.

#### DELISTMENT OF SPALDING & BROS. ON PACIFIC EXCHANGE APPROVED DELISTMENT OF GREEN BAY & WESTERN SECURITIES APPROVED

The SEC has issued an order (Release 34-6017) granting an application of the Pacific Coast Stock Exchange to delist the common stock of A. G. Spalding & Bros., Inc., effective at the close of trading on July 20, 1959 (the stock remains listed on the New York Stock Exchange). Trading on the Pacific Exchange has been negligible.

The Commission also has issued an order (Release 34-6017) granting an application of the New York Stock Exchange to delist the capital stock and Class A and B Debentures of Green Bay & Western Railroad Company, effective at the close of trading on July 20, 1959. The Exchange's application states that the stock is no longer suitable for Exchange trading because of its limited distribution, and that the question of continued listing of the debentures was resolved in the negative.

#### UNLISTED TRADING IN MAY DEPARTMENT STORES GRANTED

The SEC has issued an order (Release 34-6017) granting an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stock of The May Department Stores, which is listed and registered on the New York Stock Exchange.

#### EKCO PRODUCTS FILES EMPLOYEE STOCK PLAN

Ekco Products Company, Chicago, filed a registration statement (File 2-15340) with the SEC on July 9, 1959, seeking registration of 45,000 shares of common stock, to be offered to employees of the company under its Restricted Stock Option Incentive Plans.

#### ADRs FOR SANTOS STOCK FILED

The Irving Trust Company filed a registration statement (File 2-15341) with the SEC on July 9, 1959, seeking registration of American Depositary Receipts for 984,500 American Shares, Ordinary 2 Shilling and 6 Pence Nominal Value Stock Units and Shares of Santos Limited.

CONTINUED

**COLUMBIA BROADCASTING SYSTEM FILES EMPLOYEE STOCK PLAN**

Columbia Broadcasting System, Inc., 485 Madison Ave., New York, filed a registration statement (File 2-15342) with the SEC on July 9, 1959, seeking registration of 261,797 shares of common stock, which may be purchased pursuant to the company's Employees' Stock Option Plan.

**ADDITIONAL CAPITAL RESERVE PLANS IN REGISTRATION**

Capital Reserve Corporation, Washington, D. C., investment company, filed an amendment on July 9, 1959, to its registration statement (File 2-11692) seeking registration of an additional \$1,000,000 Potomac Plans for the Systematic Accumulation of Common Stock of The Potomac Electric Power Company.

**PHILIP MICHAEL CO. ENJOINED**

The SEC Los Angeles Branch Office announced July 8, 1959, that Philip Michael, doing business as Philip Michael & Co., 524 South Spring St., Los Angeles, had been permanently enjoined (USDC, SD Cal.) from engaging in business as an investment adviser unless and until registered under the Investment Advisers Act of 1940. Michael consented to the decree (Lit. Release 1465).

**CANADIAN RESTRICTED LIST**

The SEC today announced the addition of the following Canadian companies to its Canadian Restricted List:

Font Petroleums Limited  
Prudential Petroleums Limited

The list is comprised of the names of Canadian companies whose securities 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.

---000000---