

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 December 24, 1959

TRADING IN SKIATRON STOCK SUSPENDED. HEARING ORDERED. The Securities and Exchange Commission today announced the further suspension of trading in the common stock of Skiatron Electronics and Television Corporation, 180 Varick St., New York, on the American Stock Exchange during the period December 28, 1959, to January 6, 1960, inclusive. The suspension order, which was issued pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, states that the suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices in Skiatron stock, thus prohibiting trading in such stock by brokers and dealers in the over-the-counter market during the period of the suspension by virtue of the Commission's Rule 15c2-2.

The Commission also has scheduled a hearing for December 30, 1959, in its Washington Office in the proceedings under the Securities Act of 1933 to determine whether the registration statement filed by Skiatron on August 18, 1959, is false and misleading and, if so, whether a stop order should be issued suspending the registration statement. The statement sought the registration of 172,242 shares of Skiatron common, of which 125,000 shares had been issued or were issuable to Matthew M. Fox pursuant to warrants received by him in 1956 and exercisable at \$3 per share. Organized in 1948 for the purpose of developing certain patents in the field of electronics, Skiatron's primary efforts are said to be concentrated on promoting its "pay-as-you-see" television system. In March 1954 it entered into an exclusive licensing agreement with Fox whereby Fox or his assignee (Skiatron of America, Inc.) is authorized to use the Subscriber-Vision system upon payment of a royalty to the company. The registration statement has not become effective.

In scheduling the December 30th hearing, the Commission released an accompanying "Statement of Matters" to be considered at the hearing which challenges the adequacy and accuracy of various informational disclosures contained in Skiatron's registration statement. Among these are statements with respect to -

(I) the shares to be registered and their proposed method of distribution, particularly with respect to (a) the inclusion of shares issued to Fox which had been sold to the public prior to the date of filing upon defaults on obligations under which the shares had been held as collateral, and (b) the failure to disclose that shares covered by the registration statement, which had been issued to Fox, were held as collateral by Judson Commercial Corporation on demand notes, bearing interest at the rate of 3% each month payable monthly, which were in default; and

(II) Skiatron's business and the development of its Subscriber-Vision system during the past five years, including (a) the failure to disclose (1) the extent of efforts to begin commercial operation, (2) the amount expended to date in attempting to exploit and develop such system, (3) the purposes for which funds were expended to date, including the expenditure of approximately \$1.5 million as interest on borrowed funds, (4) the sources of such funds, (5) the principal steps required to be taken to establish a "Subscriber-Vision" installation including the estimated cost and time required for construction, the available sources of the required capital and the present status of any agreements, arrangements or contracts relating to such installations, (b) the failure to disclose the financial position of the registrant's licensee, Fox, and his assignee Skiatron of America, Inc. (controlled by Fox), as exclusive licensee of the patents owned by the registrant relating to "Subscriber-Vision" system, and to disclose the lack of resources available to Fox to pursue exploitation and development of the system, particularly in view of the financial position of Skiatron of America, Inc. as shown in its balance sheet as of April 30, 1959, which sets forth current assets of \$16,728, total assets of \$2,427,459, total liabilities of \$5,724,418 and a total deficit of \$3,297,459; and (c) the failure to disclose that Fox pledged the license agreement, granted him by the registrant, to secure his indebtednesses to Arthur Levey, president of the registrant, and to others, including the facts and circumstances surrounding the transactions in which Levey loaned to Fox 206,000 shares of the registrant's stock.

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