

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

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

FOR RELEASE May 5, 1961

**GERARD A. AND GERARD F. RE EXPELLED.** The SEC announced Thursday evening that it had ordered the immediate expulsion of Gerard A. Re and Gerard F. Re from membership in the American Stock Exchange. It also revoked the broker-dealer registration of Re, Re & Sagarese, effective immediately.

The action was based upon wilfull violations of Section 5 (the registration and disclosure requirement) of the Securities Act of 1933 in the unlawful distribution on the said Exchange of the stocks of nine companies in which they acted as specialists on the Exchange, together with wilfull violations of the anti-fraud and anti-manipulative provisions of the Securities Exchange Act of 1934, its short selling provisions and its Section 11(b) restrictions applicable to specialists, as well as its bookkeeping requirements.

The Commission's findings and opinion will be issued later. (Release 34-6551)

**CANADIAN RESTRICTED LIST.** The SEC has deleted the name of Spartan Air Services Limited from its Canadian Restricted List (Release 33-4362), which is now 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. Spartan has complied with the established procedures for deletion of its name from the list.

**DESOTO CHEMICAL COATINGS FILES FOR SECONDARY.** DeSoto Chemical Coatings, Inc., 1350 South Koster Avenue, Chicago, Ill., filed a registration statement (File 2-18074) with the SEC on May 4th seeking registration of 1,000,000 outstanding shares of common stock, to be offered for public sale by Sears, Roebuck and Co., through underwriters headed by Goldman, Sachs & Co. and Lehman Brothers. The public offering price will be related to the current market price of the stock on the New York Stock Exchange at the time of sale. The underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of trade sale paints (principally household paints), industrial coatings and paints, and wallpaper. In 1956 the company acquired the paint and wallpaper manufacturing operations of Sears; and it supplies about 90% of the paint, and about 85% of the wallpaper, requirements of Sears. The company acquired such operations in exchange for 60,000 shares of 4-3/4% Class A cumulative preferred stock and 2,854,609 common shares, representing about 90.5% of the total stockholders' equity in the company and 91.5% of the voting power. The company now has outstanding 48,000 preferred (the original amount being reduced by 3,000 shares annually through a sinking fund) and 3,187,876 common shares, of which Sears owns 85% of the common and 81% preferred. The remaining preferred shares are owned by The Sears Roebuck Foundation. After the sale of the shares being offered, Sears will own about 53.8% of the outstanding common stock of the company. Sam U. Greenberg is listed as president.

**CITY OF MONTREAL PROPOSES DEBENTURE OFFERING.** The City of Montreal, in the Province of Quebec, Canada, filed a registration statement (File 2-18076) with the SEC on May 4th seeking registration of \$15,000,000 (U.S.) of Sinking Fund Debentures for Local Improvements due May 15, 1981 and \$10,000,000 (U.S.) of Sinking Fund Debentures for Public Works due May 1, 1986. The debentures will be offered for public sale on an all or none basis through underwriters headed by Lehman Brothers, L. G. Beaubien & Co. Limited, and Credit Inter-provincial, Limitee. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The net proceeds to the City from the sale of the local improvement debentures will be applied toward, or to the repayment of interim borrowings incurred to finance temporarily, the cost of various condemnations of property in order to open, extend and widen certain streets, and the cost of certain other permanent local improvements, consisting of sewers, pavements and sidewalks. Special apportionments have or will be made of these costs as between the City and the land owners benefited by the improvements. The net proceeds from the sale of the public works debentures will be applied toward the cost of various public works programs including road and highway construction, public garages, traffic signals, waterworks, bridges and tunnels, and trunk sewers and sewer pumping plants.

**ANELEX FILES FOR SECONDARY.** Analex Corporation, 150 Causeway Street, Boston, Mass., filed a registration statement (File 2-18075) with the SEC on May 4th seeking registration of 17,204 outstanding shares of common stock, to be offered for public sale from time to time by the holders thereof in the over-the-counter market at prices related to the current market prices at the time of sale. The registration statement also relates to 10,000 common shares which are owned by one of the selling stockholders and which are subject to purchase by three persons to whom options have been granted for purchase at \$7.50 per share. The statement further relates to 54,695 common shares which, according to the statement, were previously registered with the Commission and which underlie warrants which were attached to an issue of debentures previously sold (of which 10,000 were issued to Putnam & Co., the underwriter), which warrants are exercisable after January 1961 at from \$16 to \$17.50 per share.

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The company designs, develops and manufactures high speed printers and high speed paper tape readers for use in association with computers and electronic data processing equipment or systems. It is also engaged in research, development and manufacture of other electronic and electro-mechanical systems and equipment. A subsidiary is engaged in producing technical literature and manuals for industry and governmental agencies. The company was organized in 1952 by the partners of Anderson-Nichols & Company, Inc. (formerly Anderson-Nichols & Company) which received 126,000 common shares in exchange for its Electronic Development Division and its Technical Manuals Division, now operated by the company. The proceeds received from the exercise of the warrants will be added to the company's working capital.

In addition to certain indebtedness, the company has outstanding 300,305 shares of common stock, of which E. Ross Anderson, president of the company and of Anderson-Nichols, owns 50,000 shares and management officials as a group 160,564 shares. The Liquidating Trustees of Anderson-Nichols & Company hold 124,940 shares and propose to sell 18,140 shares and Robert W. Purcell, a director, owns 29,064 shares and proposes to sell 9,064 shares. As previously indicated, only 17,204 of such outstanding shares are being registered.

NATIONAL FUEL GAS SYSTEM FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14430) authorizing three subsidiaries of National Fuel Gas Company, New York holding company, Iroquois Gas Corporation, United Natural Gas Company and Pennsylvania Gas Company, to issue \$15,000,000 of new long-term notes to National in exchange for a like face amount of outstanding notes held by National; and Iroquois and United also were authorized to issue \$6,000,000 of long-term notes to National to finance their 1961 construction requirements. Pennsylvania Gas was authorized to issue to commercial banks for 1961 construction purposes, short-term notes aggregating \$378,000 (in addition to \$1,072,000 of notes the issuance of which is permitted under SEC Rules).

FOUR DELISTINGS APPROVED. The SEC has issued orders granting applications of the following exchanges for delisting of the specified securities, effective at the close of the trading sessions on May 18, 1961; (1) New York Stock Exchange application to delist the common stock of Anderson-Prichard Oil Corporation; (2) San Francisco Mining Exchange application to delist the common stock of Giant Resources, Inc.; (3) American Stock Exchange application to delist the American shares representing common stock and the underlying common stock of La Consolidada, S. A.; and (4) Detroit Stock Exchange application to delist the common and Class "A" convertible stock of Walker & Company.

HAROLD E. KISTNER, JR., OTHERS CONVICTED. The SEC Chicago Regional Office announced May 1st (LR-2006) that Harold E. Kistner, Jr., Adolph M. Biderman, and Robert S. Smith, of Sheldon, Iowa, and Northern Biochemical Corp., an Iowa corporation, were convicted on April 28th (USDC, Sioux City) under an indictment charging violations and a conspiracy to violate the Securities Act registration requirements in the sale of Northern Biochemical stock.

INDICTMENT NAMES HAROLD E. KISTNER, JR. The SEC Chicago Regional Office announced May 1st (LR-2007) the return on April 12th of an indictment (USDC Sioux City) charging Harold E. Kistner, Jr., with violating and conspiring with others to violate the anti-fraud provisions of the Securities Act and with aiding and abetting Mrs. Burnice I. Geiger in the embezzlement of funds of the Sheldon National Bank, Sheldon, Iowa.

NEW ENGLAND ELECTRONIC COMPONENTS ENJOINED. The SEC Boston Regional Office announced May 2d (LR-2008) the entry of a Federal court order (USDC, Boston) permanently enjoining New England Electronic Components Inc., of Holyoke, Mass., and George J. Rodgers, its president and controlling stockholders, from further violating the Securities Act registration and anti-fraud provisions in the sale of Class A stock of the corporate defendant.

COLORADO TRUST DEED FUNDS, OTHERS ENJOINED. The SEC Denver Regional Office announced May 2d (LR-2009) the entry of a Federal court order (USDC, Colo.) permanently enjoining Colorado Trust Deed Funds, Inc., Mortgage Underwriting Corporation, James Thomas III, Boyd Thomas and Clifford McLin from further violating the Securities Act anti-fraud provisions in the sale of 6% and 10% trust deed certificates of Colorado Trust Deed Funds.

SECURITIES ACT REGISTRATIONS. Effective May 5: Emmer Glass Corp. (File 2-17691); Leeds Homes, Inc. (File 2-17701); Century Properties (File 2-17722); Southwestern Oil Producers, Inc. (File 2-17961). Withdrawn April 27: Chematomics, Inc. (File 2-17268). Withdrawn May 5: Southwestern Oil Producers, Inc. (File 2-16297).