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REGISTRATION OF BARUCH AND COMPANY REVOKED. In a decision announced today (Release 34-7138), the SEC revoked the broker-dealer registration of R. Baruch and Company, 1518 K Street, N.W., Washington, D.C., for fraud in the sale of stock of Agricultural Research Development, Inc. ("AGR") and certain other companies. Baruch Rabinowitz, president and a principal stockholder, as well as Conrad A. Lippman and David Starr, the firm's employees, were each found a cause of, and consented to, the revocation order.

In its decision, the Commission found that in the offer and sale of AGR stock from January to October 1962, registrant and said persons violated the anti-fraud provisions of the Federal securities laws in that they arranged for a controlling person and promoter of AGR to open an account with registrant under a fictitious name for the purpose of distributing, purchasing, selling and trading substantial amounts of the unregistered AGR stock. They concealed the fact that certain of these transactions were made through a nominee account for the benefit of Rabinowitz and that he personally realized large profits from the sale of such stock from his nominee's account to registrant's trading account. The Commission also found that they made false and misleading statements of material facts to customers concerning the source of the AGR stock; the existence, terms and potential value of AGR franchises; the earnings and financial condition of AGR; its process for pork production; the number of its shares outstanding; the market price and anticipated price increase of AGR stock; and a split in such stock. They were also found to have manipulated the market in AGR stock and arranged with a newspaper reporter to have published certain newspaper articles concerning AGR which contained false and misleading information.

The Commission also found that registrant and Rabinowitz, as a part of a scheme to obtain unreasonable and excessive profits, (1) purchased a substantial amount of stock of Government Personnel Savings and Loan Association, Inc. from certain of its insiders at prices of about 96 to 98 cents per share (at a time when the Association was making a public offering at \$2 per share) and contemporaneously resold the shares at \$2 per share, and (2) purchased shares of registrant's stock at \$4 and \$5 per share from shareholders, some of whom maintained discretionary accounts with registrant, while at the same time selling such shares to others at between \$10 and \$15 per share. Moreover, in connection with a 1961 offering of stock of Micro Electronics Corp., respondents made false and misleading statements concerning an increase in the market price of such stock, and failed to disclose that respondents had arranged with Micro that the latter should not deposit promptly certain checks of respondents remitted to Micro representing proceeds of respondents' underwriting sales and that during a portion of the time such checks were withheld from deposit respondents had insufficient funds to cover such checks. Violations of the Securities Act registration provisions and the Commission's recordkeeping requirements were also found.

BROD & COMPANY TEMPORARILY SUSPENDED FROM NASD. In a decision announced today (Release 34-7139), the SEC suspended A.T. Brod & Company, 120 Broadway, New York, from membership in the National Association of Securities Dealers, Inc. for a period of 40 days, commencing at the opening of business on September 16, 1963. Albert T. Brod, a general partner of the firm's New York office, and Martin Lesser, formerly resident partner in charge of its Washington, D.C. branch office, were each found a cause of the suspension order. The decision was based upon a stipulation and offer of settlement submitted by the respondents.

In its decision, the Commission held that during the period from January to July 1961, Lesser, by reason of his activities, and Brod, by reason of his lack of supervision of Lesser, violated the anti-fraud provisions of the Federal securities laws and the Securities Act registration requirements in the offer and sale of unregistered stock of Agricultural Research Development, Inc. ("AGR"). The Commission ruled that Lesser arranged with a controlling person and promoter of AGR to place substantial amounts of AGR stock in an account with registrant and to sell substantial amounts of the stock to Lesser (and persons for whom he acted) for the purpose of distributing and trading in such stock. Moreover, in the offer and sale of such stock, it was found that fraudulent representations and omissions of material facts were made concerning the source of the AGR stock; the existence, terms and potential value of certain AGR franchises; AGR's profit potential, earnings, financial condition, and process for pork production; the number of AGR shares outstanding; the market and price increase in the stock; and a stock split. The Commission also found that registrant manipulated the market in AGR stock and engaged with others in the mailing of a letter to AGR stockholders containing false and misleading information. Violations of the Exchange Act recordkeeping requirements and the credit restrictions of Regulation T were also found by reason of respondents failure to supervise the maintenance of registrant's books and records and the conduct of registrant's clearing operations through two other member firms of the New York Stock Exchange. In determining to accept the settlement offer, the Commission considered certain mitigating factors asserted by registrant and Brod, namely, that Lesser abused the trust reposed in him as resident manager, in that he initially engaged in the conduct relating to the AGR stock without the knowledge of Brod and continued to effect transactions therein despite contrary instructions given after Brod learned that Lesser had been active in the offer and sale of such stock. Moreover, registrant has terminated its relationship with Lesser, closed its Washington office (as well as one New York office), terminated the services of all employees of the Washington office who were involved in the AGR transactions, and arranged for restitution to various customers who had purchased AGR stock; and it has taken specified steps which give reasonable assurance of present and future compliance with all rules and requirements. In addition, the record keeping and Regulation T violations resulted

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largely from the manner in which two other member firms of the New York Stock Exchange performed their contracts with registrant, and the New York Stock Exchange has imposed sanctions of censures and fines on registrant, Brod and another partner of registrant as a result of these violations.

NOTICE RE SEC RULES. New rule pamphlets may now be purchased from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, as follows: Securities Act Rules, to July 15, 1963, \$.45; Securities Exchange Act Rules, to July 15, 1963, \$.50; Holding Company Act Rules, to August 1, 1963, \$.35; and Trust Indenture Act and Rules to August 1, 1963, \$.25.

POCONO DOWNS FILES FINANCING PLAN. Pocono Downs, Inc. 504 First National Bank Building, Wilkes-Barre, Pa., filed a registration statement (File 2-21692) with the SEC on September 10 seeking registration of \$2,500,000 of 6½% subordinated sinking fund debentures due 1978, 375,000 shares of non-voting common stock and 250,000 9-year warrants to purchase additional non-voting common shares, to be offered for public sale in units consisting of a \$100 debenture, 15 shares and warrants to purchase 10 additional shares. The warrants are exercisable at from \$6 to \$8 per share. The offering will be made at \$175 per unit through underwriters headed by Suplee, Yeatman, Mosley Co., Inc., 1500 Walnut St., Philadelphia, which will receive a \$16.62½ per unit commission. The statement also includes (1) 40,000 like warrants to be sold to the principal underwriter for \$2,000, and (2) 75,000 non-voting common shares to be offered at \$4 to selected persons including present holders of voting stock. The public sale of the units is contingent upon the prior sale by the company of the 75,000 shares.

The company has been granted a license by the Pennsylvania State Harness Racing Commission to conduct harness racing meets with pari-mutuel betting in Luzerne County, Pa. It has acquired (for \$632,500) 392 acres of land on Route 315 between Wilkes-Barre and Scranton on which its racing plant will be located; and the company is now engaged in the preparation of the site for the plant, which will include two overlapping tracks, a clubhouse, grandstand, stables and related facilities. According to the prospectus, the company has received a written proposal from a contractor to perform the balance of the construction for \$3,075,000. In order to pay a portion of previous expenditures, the company has borrowed \$315,500 from banks, and in order to continue construction further short-term borrowings must be made prior to the offering of the units. All such loans, including the \$315,500 will be repaid from the net proceeds of this offering. In addition to certain indebtedness, the company has outstanding 150,000 voting and 250,000 non-voting common shares (representing an investment of \$515,000). Of the voting stock, Theodore R. Laputka, a vice president, and Ross D. Miller, executive vice president, own 14.4% and 12.5% respectively, and management officials as a group 74.4% (as well as 81.1% of the non-voting stock). Victor C. Diehm is president.

LOYAL AMERICAN LIFE FILES FOR SECONDARY. Loyal American Life Insurance Co., Inc., 1050 Government Street, Mobile, Ala., filed a registration statement (File 2-21693) with the SEC on September 10 seeking registration of 136,580 outstanding shares of common stock, which may be offered for public sale by the holders thereof in the over-the-counter market at prevailing prices (maximum \$10 per share*), or in private sales at negotiated prices.

The company is engaged in the writing of ordinary life insurance, group health and accident policies and a small amount of term credit life insurance. It has outstanding 2,892,424 shares of common stock, of which RIC Group, Inc., of New York, owns about 49%. Richard Weininger is board chairman and Matthew S. Metcalfe, Jr. is president. The prospectus lists 11 selling stockholders including United Security Life Insurance Company (Ala.), which proposes to sell 92,654 shares. Others propose to sell amounts ranging from 25 to 26,291 shares. United Security received the 92,654 shares in March 1963 in connection with the company's acquisition of a controlling interest in American Equity Life Insurance Company (South Carolina).

THOR POWER TOOL FILES STOCK PLAN. Thor Power Tool Company, 175 North State St., Aurora, Ill., filed a registration statement (File 2-21694) with the SEC on September 11 seeking registration of 50,000 shares of capital stock, to be offered pursuant to its 1961 Stock Option Plan.

TWO DELISTINGS APPROVED. The SEC has granted applications of the American Stock Exchange to delist the common and 5% preferred stock of Gattineau Power Company and the capital stock of North Rankin Nickel Mines Limited, both effective at the opening of business on September 16, 1963. (Release 34-7141)

UNLISTED TRADING GRANTED. The SEC has granted applications of the Pacific Coast Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Illinois Central Industries, Inc. and Atlas Corporation, respectively, as well as a similar application of the Midwest Stock Exchange for like privileges in the common stocks of American Photocopy Equipment Co., B. F. Goodrich Co., The Great Atlantic & Pacific Tea Co., Inc., International Business Machines, Kerr-McGee Oil Industries, Inc., The Kroger Company, Libby-Owens-Ford Glass Co., Litton Industries, Inc., Lone Star Gas Company, Magnavox Company, National Biscuit Company, J. C. Penney Co., Inc., Polaroid Corporation, Safeway Stores, Inc., and Thiokol Chemical Corporation. (Release 34-7141)

SECURITIES ACT REGISTRATIONS. Effective September 12: New Zealand Petroleum Exploration Company, Ltd. (File 2-21298).

Withdrawn September 11: Airtronics International Corporation of Florida (File 2-20297).

*As estimated for purposes of computing the registration fee.