EVIDENTIARY RULING, SILTRONICS ET AL. In a decision announced today (Release 33-4645), the SEC sustained a ruling by its Hearing Examiner that evidence aduced in proceedings against Siltronics, Inc., Atlantic Equities Company and 7 other broker-dealers, which proceedings were terminated "without prejudice to the subsequent institution of new proceedings as to the respondents upon the same or other charges," is admissible in the consolidated proceedings subsequently instituted by the Commission in such proceedings. The Commission rejected contentions by the respondents that under the TREAT case a special "taint" attaches to the record of the earlier proceedings which makes them inadmissible. In addition, the Commission rejected arguments that the record of the prior proceedings is inadmissible because certain evidentiary requirements were not met in that respondents did not have full opportunity for cross-examination, the parties and issues are not identical and it has not been shown that the witnesses are unavailable.

SUSPENSION OF CARBON FOUNDRY OFFERING MADE PERMANENT. In a decision announced today (Release 33-4646), the SEC made permanent its prior order of December 21, 1962 temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering by Carbon Foundry Corporation, of Salt Lake City, Utah, of 300,000 common shares at $1 per share.

The Commission found that certain terms and conditions of the Regulation were not complied with and that the issuer's notification and offering circular were materially deficient. Among other things, the Commission found that certain required information and exhibits were not furnished and there was a failure to disclose adequately and clearly the speculative features of the offering, the issuer's unfavorable financial condition, and the effect and status of creditors' suits against the issuer and of an application filed by the issuer under Chapter XI of the Bankruptcy Act. The District Court had affirmed orders of the referee in bankruptcy which (1) found that the issuer's proposed plan for an arrangement with creditors was impractical and refused to confirm such plan; (2) vacated orders restraining creditors from pursuing their legal actions against the issuer and its properties; and (3) ordered that the leased property occupied by the issuer be relinquished to the landlord. The Company requested that the hearing in these proceedings be cancelled and that the matter be held in abeyance until the issuer advised as to a disposition of a contemplated appeal to the Court of Appeals, but this request was denied by the Commission at the ensuing hearing, the issuer did not appear and no further word has been received from it.

SUSPENSION OF WESREB OIL OFFERING VACATED. In a decision announced today (Release 33-4647), the SEC vacated its prior order of June 21, 1962 temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed public offering by Wesreb Oil Company, of Washington, D. C., of 300,000 capital shares at $1 per share.

In its decision, the Commission sustained findings of its Hearing Examiner that the notification and offering circular filed by Wesreb failed to state that its president and principal stockholder, Francis Taylor Canon, is subject to two consent decrees of the New York Supreme Court, entered in 1937 and 1939, permanently enjoining him from engaging in certain securities activities within and from that State. However, "in view of all the circumstances, including particularly the long lapse of time, . . . a proper exercise of our discretion does not require that a permanent suspension be entered or that Wesreb be barred from the use of Regulation A." The Commission agreed with the Hearing Examiner's findings that Canon had been confused as to the disposition of the injunction proceedings in 1937 and 1939 and did not recall that the injunctions had been entered against him, and that since 1939 Canon had been engaged in the oil and gas drilling business and there was no evidence he had violated the terms of the injunctions or that his record and reputation since then were not good.

SUSPENSION OF KALIKO DEVELOPMENT OFFERING VACATED. The SEC has issued an order under the Securities Act of 1933 vacating its prior order of August 19, 1963 temporarily suspending a Regulation A exemption from registration with respect to a public offering by Kaliko Development Corp., of Columbus, Ga., of 23,825 common shares at $10 per share. According to the order, Kaliko has filed with a Commission an affidavit (signed by its board chairman and underwriter) stating that (1) Kaliko has fully redeemed in cash certain promissory notes issued to previous purchasers who elected to accept an offer of rescission incorporated in the offering circular, (2) Kaliko has terminated the offering and desires to withdraw the unsold portion of the stock covered by the filing, and (3) no securities have been offered and/or sold since January 27, 1963, the date when a revised offering circular was required under the Regulation.

SAVANT INSTRUMENTS HEARING SCHEDULED. On request of Savant Instruments, Inc. (formerly Servonuclear Corp.), 221 Park Ave., Hicksville, L. I., N. Y., the Commission has scheduled a hearing for November 12, 1963, in its New York Regional Office, to take evidence on the question whether an order of the Commission dated September 4, 1963, temporarily suspending a Regulation A exemption from Securities Act registration with respect to an offering by selling stockholders of 15,000 common shares at prevailing market prices (not to exceed an aggregate offering price of $50,000), should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in a statement filed by the issuer in lieu of an offering circular.
MACH-TRONICS SHARES IN REGISTRATION. Mach-Tronics, Incorporated, 185 Evelyn Ave., Mountain View, Calif., filed a registration statement (File 2-21757) with the SEC on September 30 seeking registration of 34,140 shares, to be offered to present shareholders and certain employees of the company, and Glore, Forgan & Co., an investment banking firm. The company intends to offer 2,640 of the shares to 35 employees at $8.20 per share; and Dwe Reese, a selling stockholder, proposes to offer 1,500 shares at $8.20 per share to 10 of his fellow employees. In addition, the company will offer pro rata to its present stockholders 15,000 3-year warrants at 50¢ each to purchase 15,000 shares at $8.20 per share and will offer to Glore, Forgan similar warrants to purchase 15,000 shares at from $9.02 to $9.43 per share. No underwriting is involved.

SUPREME LIFE OF AMERICA FILES FOR RIGHTS OFFERING. Supreme Life Insurance Company of America, 3501 South Parkway, Chicago, filed a registration statement (File 2-21758) with the SEC on September 30 seeking registration of 42,089 shares of common stock, of which 40,000 shares are presently outstanding and held by the Supreme Trust (and represent 24.02% of the company's outstanding stock). The company is the owner of the entire beneficial interest in the Supreme Trust and upon its termination all property remaining therein will be conveyed to the company. It is proposed to offer such 40,000 shares, together with 2,089 new shares to be issued by the company, for subscription by stockholders at $30 per share and at the rate of one share for each three shares held (the record date is to be supplied by amendment). Since the 40,000 shares held by Supreme Trust are beneficially owned by the company, no rights for additional stock are to be issued to the Trust. No underwriting is involved although a group of ten directors has agreed, in the event a minimum of 40,000 shares is not subscribed for, to purchase at $30 per share the additional number of shares required to bring the total of shares sold up to 40,000.

The company is engaged in selling life, health and accident insurance in 12 states and the District of Columbia. The net proceeds from the stock sale will be used to repay some $623,867 of bank indebtedness incurred in connection with the purchase in 1961 of Domestic Life and Accident Insurance of Anchorage, Ky. (for $1,850,000), and the balance will be added to working capital. The company has outstanding 1,866,500 shares of common stock, of which management officials as a group own 18.81% and, as indicated, the Supreme Trust 24.02%. Earl B. Dickerson is president.

BREWER AND CO. FILES FOR RIGHTS OFFERING. C. Brewer and Company, Limited, 827 Fort St., Honolulu, Hawaii, filed a registration statement (File 2-21759) with the SEC on September 30 seeking registration of 166,735 shares of common stock. It is proposed to offer such stock for subscription by stockholders at the rate of one share for each five shares held. Unsubscribed shares are to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, and Butterfield & Sherrerd, 1500 Walnut St., Philadelphia. The record date, subscription price (maximum $50 per share*) and underwriting terms are to supplied by amendment.

The company, through subsidiaries, is engaged in the growing and processing of sugar cane in Hawaii and Puerto Rico, the marketing of blackstrap molasses in the United States, and certain other activities. The net proceeds from the stock sale will be used to reduce bank indebtedness incurred to provide working capital for the company's Puerto Rico sugar business acquired in 1961 (for about $15,000,000) and its molasses distribution business acquired in April 1963 (for 45,000 common shares). In addition to certain indebtedness, the company has outstanding 733,671 shares of common stock, of which management officials as a group (together with their families and family trusts) own 15.1%. Boyd MacNaughton is president.

"SONG OF SIXPENCE" FINANCING PROPOSED. David Kitchen and Henry Veles, producers of a proposed musical play entitled "A Song of Sixpence," 118 West 79th St., New York, filed a registration statement (File 2-21760) with the SEC on September 30 seeking registration of $450,000 of pre-formation limited partnership interests in the Song of Sixpence Company, a limited partnership to be formed under New York law. The interests are to be offered by Kitchen and Veles at $2,750 per interest with full proceeds to the partnership.

When contributions totaling $450,000 have been raised, the partnership will be formed for the purpose of managing and producing the musical which is based on the characters in Charles Dickens' "Great Expectations." The producers acquired the rights to the musical from Robert C. Reinhart and Edgar Russell Carver. Carver will receive a royalty of 2% of gross box-office receipts and Reinhart 4%. The proceeds from this offering will cover the anticipated cost of opening a first-class production of the musical in New York City, including all production expenses and the cost of an out-of-town try-out. The producers will be entitled to receive 30% of the net profits of the partnership, for which they will make no cash contribution.

UNITED INDUSTRIAL SHARES IN REGISTRATION. United Industrial Corporation, 660 Madison Ave., New York, filed a registration statement (File 2-21761) with the SEC on September 30 seeking registration of 509,613 shares of common stock, which are reserved for issuance upon exercise of outstanding stock purchase warrants issued in connection with the merger in 1959 of United Industrial Corporation, a Michigan company, and the company. Each warrant evidences the right to purchase one-half share of the company upon payment of $8.50 (or $17 per share), and the warrants expire in 1969.

DSESOTO CHEMICAL COATINGS FILES STOCK PLAN. DeSoto Chemical Coatings, Inc., 1700 South Mount Prospect Road, Des Plaines, Ill., filed a registration statement (File 2-21762) with the SEC on September 30 seeking registration of 38,310 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

SECURITIES ACT REGISTRATIONS. Effective October 2: Fidelity Fund, Inc. (File 2-21522); Northwestern Steel and Wire Co. (File 2-21691); Rogers Brothers Co. (File 2-21627).

*As estimated for purposes of computing the registration fee.

---000000---