

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)

(Issue No. 65-1-1)

FOR RELEASE January 4, 1965

SEC REVOKES MARKET VALUES REGISTRATION. The SEC has issued a decision revoking the investment adviser registration of Market Values, Inc., of 110 Beekman St., New York City, under the Investment Advisers Act (Release IA-181), and denying that firm's application for broker-dealer registration under the Securities Exchange Act. Harold Schreiber and his wife, Lee Schreiber (also known as Elizabeth Wasserman), were each found to be a cause of the revocation and denial orders.

According to the Commission's decision, Market Values' investment adviser registration was "materially false and misleading" by reason of the fact that, although Schreiber and another person had organized the firm in 1960 to engage in the investment adviser business and Schreiber exercised a controlling influence over its operations, he was not named in the registration application. Schreiber was then working as a registered representative of a NYSE member firm, and he sought to conceal his relationship with his new firm for fear the Exchange would be critical of his engaging in the investment advisory business. His wife was listed as secretary-treasurer and stockholder under her maiden name, Elizabeth Wasserman; but Schreiber in fact owned the stock despite his denials thereof in sworn testimony; and any action taken by her was pursuant to Schreiber's direction. Despite Schreiber's domination and control of the business, the registration application specifically disclaimed that any person not named therein exercised any controlling influence over the firm's activities.

In its application for broker-dealer registration, filed in March 1962, Market Values correctly listed Schreiber as president and sole beneficial owner of its stock; and his wife was listed as secretary-treasurer under her married name. Thereafter, he conceded his prior controlling interest in the firm. In a statement of financial condition which accompanied this application, Schreiber falsified the value of Market Values' assets. In view thereof and the prior falsification of the investment adviser registration application and Schreiber's earlier false testimony, the Commission concluded that revocation of the investment adviser registration and denial of the application for broker-dealer registration were necessary in the public interest.

INTERNATIONAL MARINE OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by International Marine, Inc., 800 N. E. 79th St., Miami, Fla. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption for registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed in May 1961, International Marine proposed the public offering of 75,000 common shares at \$4 per share pursuant to such an exemption. The Commission asserts in its suspension order that it has "reasonable cause to believe" that the company's offering circular is false and misleading in respect of certain material facts and that its stock offering violated Section 17 (the anti-fraud provisions) of the said Act. More particularly, the Commission alleges (a) that the company's offering circular falsely stated that the company owned a yacht free and clear of all encumbrances (whereas it was subject to two outstanding mortgages), falsely identified the company's president and failed to name the actual president and person in charge of business operations, and falsely stated that the company owned a private dwelling in Miami (whereas the record title to the property was in the name of two individuals); and (b) that the company failed to amend its offering circular to disclose the sale of its only cargo vessel during the course of the stock offering.

GENERAL INVESTING REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7499) revoking the broker-dealer registration of General Investing Corp., 55 Broadway, New York City, based upon the company's admitted failure to file reports of financial condition for the years 1961, 1962 and 1963. Ralph DePasquale, president, was found to be a cause of the revocation order. In a prior decision of May 15, 1964, the Commission affirmed the NASD's expulsion of the firm from membership for violations of its Rules of Fair Practice.

FRANK EBNER AND BANNER SECURITIES ENJOINED. The SEC New York Regional Office announced December 29 (LR-3118) the entry of a Federal court order (USDC EDNY) permanently enjoining Frank Ebner, Valley Stream, N. Y., and Banner Securities, Inc., formerly of Kew Gardens, N. Y., from violating the Securities Act registration and anti-fraud provisions in the sale of common stock of Micro-Metals Corp.

IMPERIAL FUND SALE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-4127) permitting Imperial Fund, Inc., Minnetonka, Minn., investment company, to sell 77,000 shares of common stock of Gold Eagle Corporation to the latter's board chairman, Frank A. Warner, for \$5,775.

HANNA MINING VENTURE CLEARED. The SEC has issued an order under the Investment Company Act (Release IC-4128) permitting The Hanna Mining Company, Cleveland subsidiary of The M. A. Hanna Company, a registered investment company, to participate with Inland Steel Company, Wheeling Steel Corporation and Itasca Pellet Company in a project for the development of certain magnetic taconite properties in Minnesota owned by Butler Brothers, a Minnesota corporation, and for the construction and operation of facilities for the production of pellets.

OVER

AMERICAN ELECTRIC POWER ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15171) authorizing the American Electric Power Company, Inc., to eliminate all of its outstanding common stock scrip, issued during the period 1914-1934.

AVNET FILES STOCK PLAN. Avnet, Inc., Time & Life Bldg., New York, filed a registration statement (File 2-23058) with the SEC on December 30 seeking registration of 145,656 shares of common stock, to be offered pursuant to its 1962 Stock Option Plan.

CANADIAN SUPERIOR OIL FILES EXCHANGE PROPOSAL. Canadian Superior Oil Ltd., 703 Sixth Ave. S. W., Calgary, Alberta, filed a registration statement (File 2-23059) with the SEC on December 30 seeking registration of 2,801,516 shares of common stock. The company proposes to exchange such shares for capital stock of The Calgary & Edmonton Corporation Ltd., at the rate of 1.16 shares of Canadian Superior common for each share of Calgary. The Superior Oil Company (owner of 1,148,000 shares or 47.5% of Calgary's outstanding stock) and officials of Calgary (owning an aggregate of 37,500 shares) have advised the company of their intention to exchange such shares pursuant to the exchange offer. Canadian Superior and Calgary are both engaged primarily in exploration for and production of crude oil and natural gas. Canadian Superior has 5,700,000 outstanding common shares, of which Superior Oil owns 56.57%. A. E. Feldmeyer is president of Canadian Superior.

DATA CONTROL SYSTEMS FILES TWO STATEMENTS. Data-Control Systems, Inc., East Liberty St., Danbury, Conn., filed a registration statement (File 2-23060) with the SEC on December 30 seeking registration of 50,000 shares of common stock, to be offered for public sale through underwriters headed by C. E. Unterberg, Towbin Co., of 61 Broadway, New York. The public offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

In a separate registration statement (File 2-23061), Data-Control Systems seeks registration of an additional 43,050 common shares, to be offered pursuant to its Employees' Stock Option Plan.

Data-Control System is engaged in research and development in the fields of instrumentation and data-acquisition, and the manufacture and marketing of equipment related thereto. Its present product lines consist of test equipment and components and systems for use in general laboratory research as well as telemetry. About 85% of its sales for the year ended September 30 were directly or indirectly to the Government. Net proceeds of its sale of additional stock will be applied to the repayment of some \$1,200,000 of bank loans incurred for working capital purposes; and any balance will be used for general corporate purposes. The company now has outstanding 761,650 common shares (after giving effect to a proposed two-for-one stock split), of which management officials own 101,950 shares, or 13.4% (an additional 93,400 shares are owned by firms of which three directors are partners). Robert J. Jeffries is president.

JIM WALTER CORP. FILES TWO STATEMENTS. Jim Walter Corporation, 1500 North Dale Mabry Highway, Tampa, Fla., filed a registration statement (File 2-23062) with the SEC on December 30 seeking registration of 98,175 shares of common stock, for issuance upon exercise of employee stock options.

In a separate statement (File 2-23063), the said company seeks registration of 237,925 common shares, for issuance upon conversion of 4-1/8% Convertible Subordinated Debentures of The Celotex Corporation, a wholly-owned subsidiary since August 31, 1964. On that date the Celotex debentures became convertible into common stock of Jim Walter Corporation rather than stock of Celotex. The \$10,000,000 Celotex debentures presently outstanding are convertible into common stock of Jim Walter Corporation at a price of \$42.03 on or before May 1, 1976. As of August 30, 1964, the latter owned some 61.3% of the outstanding Celotex stock; and on August 31 Celotex became a wholly-owned subsidiary through the issuance of preferred and common stock for all stock of Celotex not previously owned.

PHILBRICK RESEARCHES FILES FOR SECONDARY. George A. Philbrick Researches, Inc., 127 Clarendon St., Boston, filed a registration statement (File 2-23064) with the SEC on December 31 seeking registration of 385,000 outstanding shares of common stock. Of this stock, 350,000 shares are to be offered for public sale by the present holders thereof through underwriters headed by Paine, Webber, Jackson & Curtis, 24 Federal St., Boston. The underwriters have been granted an option to purchase at the same price the remaining 35,000 shares. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The products of the company consist principally of electronic analog operational amplifiers and related equipment, including regulated power supplies. In addition to indebtedness, the company has outstanding 985,000 common shares, of which management officials own 96.4%. The prospectus lists 13 selling stockholders including George A. Philbrick (president), offering 220,305 of 620,000 shares held; Arnold P. Beveridge (director), 35,533 of 100,000; and Bruce Seddon (vice president), 35,533 of 100,000. The remaining selling stockholders are offering stock ranging in amounts from 355 to 17,767 shares.

TECHNICAL MEASUREMENT FILES FOR OFFERING AND SECONDARY. Technical Measurement Corporation, 441 Washington Ave., North Haven, Conn., filed a registration statement (File 2-23065) with the SEC on December 30 seeking registration of 200,000 shares of common stock. Of this stock, 175,000 shares are to be offered for public sale by the company and 25,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York. The public offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company develops, manufactures and markets electronic instruments and special purpose digital computers. Of the net proceeds from its sale of additional stock, \$2,000,000 will be used to reduce short-term bank borrowings, and the balance will be used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 988,015 common shares, of which management officials own 42.9%. The selling stockholders are Robert M. Ghen (president and board chairman), offering 10,000 of 130,476 shares held; Donald S. Davidson (senior vice president), 10,000 of 129,076, and Robert L. Burr (executive vice president), 5,000 of 43,000.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

BK for Nov. 1964

McLean Industries, Inc (2)	Banner Mining Co Amend #1 to 8K for Sept. 1960 (13)
Barton's Candy Corp Dec. 1964 (11)	Amend #1 to 8K for Feb. 1961 (13)
Redman Industries, Inc April 1964 (12)	Amend #1 to 8K for Feb. 1962 (13)
Sept. 1964 (12) Oct. 1964 (12)	Amend #1 to 8K for Nov. 1959 (13)
Colt Industries, Inc Nov. 1964 (3,7,13)	M. H. Fishman Co, Inc Amend #1 to 8K for Aug. 1963 (13)
United Electric Coal Companies Oct. 1964 (13)	Metropolitan Devel. Corp Amend #1 to 8K for Oct. 1964 (3)
Papert, Loenig, Lois, Inc (12)	Glass Tite Industries, Inc Amend #1 to 8K for April 1964 (8)
Chicago, Rock Island & Pacific RR Co Dec. 1964 (12,13)	Arkansas Valley Industries, Inc Oct. 1964 (12,13)
Computer Sciences Corp (2,13)	Espey Mfg. & Electronics Corp (11)
Florida East Coast Railway Co (12)	Republic Corp (3,12)
Glass Tite Industries, Inc July 1962 (7)	American Pipe & Constr. Co (3)
Kinney Service Corp (12,13)	Hilton Hotels Corp Dec. 1964 (2,13)
Bargain Town U S.A., Inc Oct. 1964 (1,2,11,13) (2,11,13)	Texas Tennessee Industries, Inc (11) July 1964 (7,13)
Allied Kid Company (2,7,13)	Household Finance Corp (7,13)
Continental Vending Machine Corp April 1964 (12,13)	Natl. Secur. Inc (7,12)
	Del. E. Webb Corp Sept. 1964 (3)
	Trans-Texas Airways, Inc (7,8,13)

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 31, 1964, 27 registration statements were filed, 16 became effective, 2 were withdrawn, and 269 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective December 31: Associated Oil & Gas Explorations, 1965, Ltd. (File 2-22996); Control Data Corp. (File 2-23036); Desoto Chemical Coatings, Inc. (File 2-22648); Mutual Income Fund, Inc. (File 2-22600). Effective January 4: Participating Annuity Life Insurance Co. (File 2-15197); Stokely-Van Camp, Inc. (File 2-22948). Withdrawn December 31: Contemporary Investors Life Insurance Co. (File 2-22885).

*As estimated for purposes of computing the registration fee.

The NASD action regarding newspaper quotations, while not a solution to all problems in this area, is an encouraging development, and should be of considerable ^{importance} importance to those who buy and sell over-the-counter securities. The Commission will look forward to receiving the NASD's study and evaluation of the effects of these changes on the over-the-counter market, as well as its views on implementing the Special Study recommendations relating to riskless transactions and disclosure of compensation.