

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE February 5, 1965

**MASER-OPTICS 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 offering of stock by Maser-Optics, Inc., of Boston, Mass. 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 from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in April 1964, the company proposed the public offering of 50,000 shares of its common stock at \$6 per share. Packer, Wilbur & Co., Inc., 39 Broadway, New York, agreed to act as underwriter on an "all-or-none best efforts basis". The Commission asserts in its suspension order that it has reason to believe that the offering circular is false and misleading in respect to various material facts, that the use of said circular in the proposed offering violated the anti-fraud provisions of the Act, and that the report of sales is misleading in that it omits to state that proceeds from the offering were used to retire \$50,000 of indebtedness to a company official. The alleged misrepresentations relate in part to the company's decline in net sales, the amounts due sales representatives as sales commissions, the educational background of an officer, and the fact that a substantial portion of the company's operations include the leasing rather than the sale of its product.

**AMPAL-AMERICAN ISRAEL CORP. SEEKS ORDER.** Ampal-American Israel Corporation, 17 E. 71st St., New York, has applied to the SEC for an order under the Investment Company Act authorizing Ampal and Israel Development Corp., a registered, closed-end, non-diversified investment company of which Ampal is an affiliate, to make loans during Ampal's fiscal year ending January 31, 1966, to the Jewish Agency for Israel; and the Commission has issued an order (Release IC-4159) giving interested persons until February 25 to request a hearing thereon. It is contemplated that Ampal will lend the Jewish Agency for Israel \$5,000,000 and Israel Development Corporation will lend the Agency \$3,000,000.

**M. A. HANNA CO. SEEKS ORDER.** The M. A. Hanna Co., 100 Erieview Plaza, Cleveland, Ohio, has applied to the SEC for an order under the Investment Company Act authorizing it to re-acquire 44,700 of its common shares from The First Boston Corporation in exchange for \$1,773,000 of Pittsburgh Consolidation Coal Company 3-1/2% debentures due 1965. The Commission has issued an order (Release IC-4160) giving interested persons until February 25 to request a hearing thereon.

**CONTINENTAL VENDING TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, February 6 to February 15, 1965, inclusive.

**SWIFT & CO. FILES STOCK PLANS.** Swift & Company, 115 W. Jackson Blvd., Chicago, filed registration statements with the SEC on February 4 seeking registration of securities as follows: (File 2-23144) 8,000 participations in its Golden Year Supplementary Income Plan, together with 20,000 shares of common stock which may be acquired pursuant thereto; (File 2-23145) 700 participations in Derby Foods, Inc., Golden Years Supplementary Income Plan and 3,000 common shares that may be acquired thereunder; and (File 2-23146) 1,500 participations in the company's Savings Plan plus 4,000 common shares that may be purchased pursuant thereto.

**EAGLE-PICHER FILES STOCK PLAN.** The Eagle-Picher Company, 1100 The American Bldg., Cincinnati, Ohio, filed a registration statement (File 2-23147) with the SEC on February 4 seeking registration of 50,000 shares of common capital stock, to be offered under its 1965 Employees' Stock Purchase Plan.

**EXAMINER RULES AGAINST SALINGER INVESTMENT.** SEC Hearing Examiner Samuel Binder has filed an initial decision with the Commission providing for the revocation of the broker-dealer registration of Nathan Salinger, doing business as Salinger Investment Co., of Mahopac, New York, and his expulsion from NASD membership. The Hearing Examiner found that Salinger had violated SEC rules by wilfully failing and refusing to file a report of his financial condition for 1963, as required by Rule 17a-5 under Section 17 of the Securities Exchange Act of 1934. Salinger may petition the Commission for a review of this decision within fifteen days. Absent review (either by petition of the parties or on the Commission's own motion), an order pursuant to the initial decision will be issued.

**RULES ADOPTED RE O/C ISSUERS.** The SEC today announced the adoption of amendments to its rules under the Securities Act of 1933 and Securities Exchange Act of 1934 (Release 33-4761) the principal effect of which is to make the Exchange Act rules generally applicable to issuers of securities traded over-the-counter required to register pursuant to the new Section 12(g) of said Act. They apply to the initial registration of securities of such companies, the filing of annual and other periodic reports, and the reporting of insider holdings and transactions.

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**RAPPEE ENTERS PLEA.** The SEC San Francisco Regional Office announced February 2 (LR-3145) that Lawrence Rappee of Los Angeles entered a nolo contendere plea (USDC Los Angeles) to the first 11 counts of a 31-count indictment charging Rappee and two other defendants with violations of the anti-fraud and registration provisions of the Securities Act and the mail fraud statute in the sale of stock of Star Chemical Laboratory, Inc. Sentencing deferred.

**PAUL SANDBLOM SENTENCED.** The SEC Fort Worth Regional Office announced February 3 (LR-3146) that Paul A. Sandblom of Corpus Christi, Tex., received a 15-year prison sentence (USDC Corpus Christi) on his plea of nolo contendere to a 24-count indictment charging him with violations of the Securities Act anti-fraud provisions and of the Mail Fraud Statutes.

**ORDER CITES HIGASHI.** The SEC San Francisco Regional Office announced February 2 (LR-3147) the entry of a Federal court order (USDC Honolulu) requiring Charles Y. Higashi of Honolulu to obey a subpoena previously served on him in connection with the Commission's investigation of the sale of securities of Silver King Mines, Inc., of Ely, Nev.

**DONALD McDONALD SENTENCED.** The SEC San Francisco Regional Office announced February 2 (LR-3148) that Donald McDonald received three years' probation under an indictment to which he had previously pleaded nolo contendere. The indictment was entered in connection with activities of the Beverly Hills Security Investments.

**HEAD SKI CO. FILES FOR SECONDARY.** Head Ski Company, Inc., 15 W. Aylesbury Rd., Timonium, Md., filed a registration statement (File 2-23148) seeking registration of outstanding warrants to purchase 22,500 shares of common stock (exercisable at \$5.66) and the underlying shares. The present holder of the warrants, Utilities and Industries Management Corp., may offer the warrants, and/or any shares issued upon the exercise thereof, for public sale from time to time at prices current at the time of sale. Such offerings may be made in the over-the-counter market or through facilities of the American Stock Exchange.

The company manufactures a line of metal skis under the name "Head Skis". In addition to indebtedness, it has outstanding 431,420 common shares, of which management officials own 41.5% (including 38.2% owned by Howard Head, president). The warrants being registered constitute Utilities & Industries' total ownership of the company's securities.

**CORRECTION RE PARAMOUNT HOLDING SUSPENSION.** In the News Digest of February 2 it was erroneously stated that the respondent, Paramount Holding Company, Inc. (an Idaho corporation) was a defendant in an injunctive action taken by the Commission in a Federal court (USDC, Colo.), for alleged violations of the Securities Act in the sale of stock of said Idaho corporation. The Commission's action was against Paramount Holding Company (a Wyoming corporation), Eugene Whitworth, and Edward L. Gibbons, and involved stock of the Wyoming corporation. In such action a permanent injunction by default was entered against Gibbons on January 21, 1965. Gibbons was the promoter of the Idaho corporation and is presently connected with it as manager of its business activities and as underwriter of the stock offering.

**GENERAL ANILINE FILES FOR SECONDARY.** General Aniline & Film Corporation, 140 W. 51st St., New York, today filed a registration statement (File 2-23149) with the SEC seeking registration of 11,166,438 outstanding shares of common stock. The present holder of the shares, the Attorney General of the United States, proposes to offer the shares at competitive bidding to eligible groups of investment banking firms. According to the prospectus, the successful bidding group must agree to reoffer the shares in a manner to encourage their widespread distribution to the public.

The company is engaged in the manufacture and sale of products that can be generally classified into four main groups: dyestuffs (including pigments), industrial chemicals, photographic products, and document-reproduction equipment and supplies. In addition to indebtedness, the company has outstanding 11,966,131.5 common shares, of which the Attorney General owns 11,188,410. The Federal Government assumed supervision and control of the company's business and in 1942 vested over 90% of the then outstanding stock of the company, under the Trading with the Enemy Act. The vesting of the stock by the Government gave rise to prolonged legal proceedings which were the subject of a settlement agreement made in December 1963 and subsequently amended. Upon the sale of the shares covered by this prospectus, the Government's control of the company's business will terminate. Jesse Werner is board chairman and president of the company.

**SECURITIES ACT REGISTRATIONS.** Effective February 4: Lafayette Radio Electronics Corp. (File 2-22250). Effective February 5: Industries Trend Fund, Inc. (File 2-22613); Lincoln Liberty Life Insurance Co. (File 2-23016). Withdrawn February 4: Hobam, Inc. (File 2-21856).