

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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Washington 25, D.C.

FOR RELEASE July 12, 1960

COURT ORDER ENJOINS LAMBERT M. W. INC. The SEC Denver Regional Office announced July 7th (LR-1727) entry of a Federal court order (USDC, NM) permanently enjoining Lambert, M. W., Inc., and its president, Milford W. Lambert, from further violating the Commission's net capital rule.

NORTH AMERICAN PROPERTIES 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 North American Properties Corporation, of Philadelphia.

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 1958, as amended, the said company ("issuer") proposed the public offering of 80,000 units at 51¢ per unit, each unit to consist of 5 Class A and 1 Class B shares (for a total offering of \$40,800). The Commission's suspension order asserts that a Regulation A exemption is not available because an undisclosed affiliate and promoter of the issuer, John L. de Lyra, has been enjoined from violating provisions of the Securities Act; that certain terms and conditions of the Regulation were not complied with; that the issuer's notification and offering circular are false and misleading in respect of certain material facts; that a report of stock sales pursuant to the exemption is false and misleading; and that the stock offering was made in violation of Section 17 (the anti-fraud provision) of the Securities Act. A hearing will be held, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations in the issuer's notification and offering circular relate, among other things, (a) to a failure to disclose a promoter who was in a controlling position, the interest of each officer, director and promoter, and that named officers and directors were mere fronts for the undisclosed promoter; and (b) to statements that the issuer's address is 1700 Walnut Street, Philadelphia, that its principal activities would be in Philadelphia and neighboring cities, and that the issuer had no properties under serious consideration at the time the offering circular was amended (April 30, 1958), that 10,000 Class A and 20,000 Class B shares were sold to officers and directors for \$1,020 cash and the inclusion of a statement in the balance sheet that the said Class A and Class B shares had been sold for \$1,020 and that such amount had been received, and a statement that the address of the alleged officers and directors, Theodore Kempinski and Joan Pierce, was 225 S. 17th Street or 2245 S. 17th Street, Philadelphia.

SECURITY ENTERPRISES, INC. REGISTRATION REVOKED. In a decision announced today (Release 34-6314), the SEC revoked the broker-dealer registration of Security Enterprises, Inc., ("Respondent"), 200 Harrison St., Wichita Falls, Texas, for the sale of securities at unfair prices and other violations of the Federal securities laws. Truman Kenneth Pennell, president, and Carl LeRoy Linn, former salesman now engaged in the securities business under the name of Security Investments, were each found to be a cause of the revocation order.

According to the Commission's decision, Respondent, Pennell and Linn offered and sold stock of American Trust Underwriters and its subsidiary, American Trust Life Insurance Company, during the period March 31, 1958, to April 1, 1959, without disclosing Pennell's stock interest in and control relationship to the two issuing companies and at prices not reasonably related to, and at excessive mark-ups over, the current market prices for the shares. Respondent made sales to some customers at prices which represented mark-ups of as much as 283% of its contemporaneous costs on purchases from other customers; and Linn made sales to customers which represented mark-ups of as much as 102% over his contemporaneous costs on securities he purchased from Pennell and as much as 185% over his contemporaneous costs on purchases from other customers. Customers were not informed of these mark-ups nor were they informed that shares they purchased had been acquired from Pennell. They also failed to give or send to customers written confirmations disclosing the capacities in which they were acting.

Moreover, respondent engaged in a securities business during the period September 1, 1958, to January 1, 1959, in violation of the Commission's net capital rule, its deficiency in net capital exceeding \$32,000 on September 1, 1958, and approximating \$15,000 on November 30, 1958.

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For further details, call WOrth 3-5526

NEW JERSEY POWER FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14256) authorizing New Jersey Power & Light Company, Denville, N. J., to issue and sell \$5,000,000 of First Mortgage Bonds due July 1, 1990, at competitive bidding. Net proceeds will be applied to the company's 1960 construction program.

FIRST SOUTHERN INVESTORS REGISTRATION WITHDRAWN. The Commission has granted a request of First Southern Investors Corp., 215 Harvey Building, West Palm Beach, Fla., for withdrawal of its broker-dealer registration; and it has dismissed private proceedings, based upon the company's failure to file a report of financial condition for 1958, to determine whether said registration should be revoked and whether the company should be suspended or expelled from NASD membership.

AVIONICS INVESTING FILES FOR OFFERING. Avionics Investing Corporation, 1000 16th Street, N. W., Washington, D. C., today filed a registration statement (File 2-16799) with the SEC, seeking registration of 400,000 shares of capital stock, to be offered for public sale at \$10.00 per share on an all or none basis through a group of underwriters headed by S. D. Fuller & Co. In addition to \$25,000 expenses, the underwriters will receive \$1.00 per share for each share sold.

The company was organized under District of Columbia law in October, 1959, and was licensed as a small business investment company under the Small Business Investment Act of 1958 in March, 1960. Its principal business as a closed-end, non-diversified management investment company is to provide equity capital and long-term loans to small business concerns engaged in research, development, scientific application and manufacture of chemical and other products or devices used in the general field of aviation and missiles. The net proceeds from the stock sale will be used for investment in small business concerns in amounts up to \$800,000 for a single concern.

In addition to certain indebtedness, the company has outstanding 20,000 shares of capital stock, of which Andrew H. Bergeson, president, H. A. Leander, executive committee chairman, and William F. Rust, Jr., director, own 20.6%, 12.5% and 18.7% respectively.

WORTHINGTON CORPORATION FILES STOCK PLAN. Worthington Corporation, 401 Worthington Avenue, Harrison, N. J., filed a registration statement (File 2-16800) with the SEC on July 11, 1960, seeking registration of 50,000 shares of common stock, to be offered to employees of the company and its subsidiaries pursuant to its Incentive Stock Option Plan.

CANADIAN INVESTMENT TRUST PROPOSES OFFERING. Canadian Investment Trust, sponsored by Axe Securities Corporation, Tarrytown, N. Y., filed a registration statement (File 2-16801) with the SEC on July 11, 1960, seeking registration of \$1,000,000 of Systematic Investment Plans, with and without insurance, and Single Payment Plans.

CANADIAN RESTRICTED LIST. The SEC has added two additional Canadian companies, Monarch Gold Mines Ltd., and Revere Mining Corp. Ltd., to its Canadian Restricted List. The list now comprises the names of 212 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. (Release 33-4250)

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