

# SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE January 3, 1961

**Statistical Release No. 1726.** The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended December 30, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1957-59 = 100		Percent Change	1960	
	12/30/60	12/23/60		High	Low
Composite	117.4	116.2	+1.0	121.4	107.7
Manufacturing	111.6	111.0	+0.5	122.0	103.6
Durable Goods	114.9	114.6	+0.3	129.5	107.7
Non-Durable Goods	108.6	107.6	+0.9	115.1	99.5
Transportation	93.9	92.7	+1.3	108.3	87.1
Utility	146.2*	141.1	+3.6	146.2	118.4
Trade, Finance & Service	133.4	133.9	-0.4	134.1	120.5
Mining	80.3	80.8	-0.6	86.7	67.0

\*New High

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended December 30, 1960, 37 registration statements were filed, 25 became effective, 4 were withdrawn, and 302 were pending at the week end.

**NASD FINE AGAINST MARYLAND SECURITIES CO. REDUCED.** In a decision announced today (Release 34-6442), the SEC affirmed a censure of Maryland Securities Co., Inc., of Baltimore, by the National Association of Securities Dealers, Inc., for violation of NASD conduct rules, but ordered a reduction in the fine imposed against the member firm from \$750 to \$500 and a reduction in assessed costs from \$249 to \$75.

The censure and fine had been imposed against the firm because of excessive mark-ups in the sale of Onego Corporation stock and of other shares between November 5, 1958 and January 5, 1959. In its decision, the Commission sustained the NASD finding that 16 sales of Onego stock at excessive mark-ups ranging from 13.3% to 20% of the same-day cost of the shares to the firm, as well as the sale of another security at a mark-up of 34.2% of the firm's same-day cost, were violative of the NASD Rules of Fair Practice. The Commission also affirmed the finding of excessive mark-ups in 20 transactions in Onego stock for which there were no same-day purchases by the firm but which exceeded by 11.1% the representative asked prices concurrently shown in the daily sheets published by the National Daily Quotation Bureau. The Commission was unable to sustain the NASD finding that the computation of the firm's mark-up in the latter transactions on days when no same-day cost was available, should be based on an earlier purchase of 5,000 shares of Onego stock, rather than upon current quotations. Such a computation would have increased the mark-up in the 20 transactions to 27%.

The Commission also sustained the rulings of the NASD that the firm had violated certain NASD rules regarding record-keeping, and the registration of certain salesmen and that it also violated Regulation T by reason of its failure to cancel or liquidate four purchase transactions in the accounts of two customers who failed to make timely cash payments for their securities. A finding that the firm has failed to disclose its capacity in confirmations of transactions sent to customers was not sustained by the Commission.

**CITIZENS ACCEPTANCE PROPOSES OFFER.** Citizens Acceptance Corporation, Georgetown, Del., filed a registration statement (File 2-17431) with the SEC on December 29, 1960, seeking registration of \$500,000 of Series G 6% Five Year Subordinated Debentures. The company proposes to offer said debentures for cash at 100% of principal amount, and to present holders of outstanding subordinated debentures in exchange. The offering is to be made by company officials and employees, who will receive a 2% commission on cash sales and 1% on securities delivered in exchange for outstanding debentures. The net cash proceeds to be received from the sale of debentures (assuming no exchanges for maturing debentures) will amount to about \$488,000 and will be used to increase or maintain the company's working capital (but will be initially applied to the reduction of short-term notes due within one year). Part of the proceeds may also be used to retire outstanding debentures as they mature, to the extent that the holders thereof do not exchange their present holdings for the new debentures.

The company conducts a general finance business. In addition to various indebtedness, it has outstanding 4,270 shares of \$100 par preferred and 1912 shares of common stock. James W. Tunnell, Jr., board chairman, owns 11.9% of the outstanding common and Robert W. Tunnell, president, 13.1%; and Eolyne K. Tunnell and Mildred S. Tunnell own 26.5% and 27.9%, respectively.

**PEARCE-SIMPSON SECURITIES IN REGISTRATION.** Pearce-Simpson, Inc., 2295 N. W. 14th St., Miami, Fla., filed a registration statement (File 2-17434) with the SEC on December 30, 1960, seeking registration of \$1,800,000 of Ten Year 6% Convertible Debentures due April 1, 1970 (and 200,000 common shares reserved for issuance upon conversion of the debentures); 145,938 shares of common stock; and warrants for the purchase of 72,500 common shares (as well as the 72,500 shares issuable upon exercise of the warrants).

OVER

According to the prospectus, the company in June 1960 sold \$2,000,000 of debentures to twenty persons, and all but one have advised of their intention to resell the debentures. The largest blocks are held by Allen & Company, \$150,000; Herbert Allen, \$305,000; the Estate of Samuel Elgort, deceased, \$200,000; Bruce Forbes, W. C. McBride, Inc., Mrs. Gertrude H. Sloan, and Dominick & Dominick as nominee for Societe Internationale de Finance, \$100,000 each; and Ward Ryder & Co., \$130,000.

The prospectus lists nine sellers of the 145,938 common shares, including 66,500 shares by Foreign Power Securities Corporation, Ltd., 21,500 by John Rinehart, a director, 21,000 by Canadian Power & Paper Securities, Ltd., and 10,000 by William S. Simpson, president, and Marion V. Simpson. The Simpsons will retain 23,290 shares and Rinehart 5,000.

Allen & Company and Vilas & Hickey own warrants for the purchase of 50,000 shares, exercisable at \$12.25 per share through February 16, 1965; Gene Goble owns warrants for 10,000 shares, exercisable at \$15.625 per share through April 1, 1965; and George J. Langley owns warrants for 12,500 shares, exercisable at \$15 per share until April 19, 1965. In addition to the 72,500 warrants and \$2,000,000 of debentures, the company has outstanding 696,938 common shares.

**WOMETCO ENTERPRISES FILES FOR SECONDARY.** Wometco Enterprises, Inc., 306 North Miami Ave., Miami, Fla., filed a registration statement (File 2-17437) with the SEC on December 30, 1960, seeking registration of 18,591 shares of Class A common stock; 19,155 shares each of Class B, Series B, C and D common; and 23,944 shares of Class B, Series E common. All five series of stock are now outstanding and are to be offered for sale by Lee Higginson Corporation and A. C. Allyn & Co., Inc., except that 15,000 shares of Class B common, Series E, are being reserved for sale to company employees. None of the proceeds of the stock sale will be payable to the company unless the average price per share received by the selling stockholders, less 7% thereof, exceeds \$10, in which case the company is to receive 75% of the excess.

The company owns and operates television station WTUV in Miami and television station WLOS-TV and FM and AM radio station WLOS in Asheville, N. C. It owns 47½% of the outstanding common and 60% of the outstanding preferred stock of the corporation which owns and operates television station WFGA in Jacksonville, Fla; and it recently signed a contract for the acquisition (subject to conditions) of Station KVOS-TV in Bellingham, Wash. It also operates a chain of 23 motion picture theatres, sells soft drinks, cigarettes and confectionery through the medium of vending machines in a variety of public locations, sells confectionery merchandise through its owns and to other theatres, and now owns a 91% interest in and operates the Seaquarium in Miami. It also recently acquired a franchise to bottle and sell Pepsi-Cola in the Bahamas.

According to the prospectus, the company has outstanding, in addition to certain indebtedness, 399,848 shares of Class A common and 607,909 shares of Class B common (of five series). Mitchell Wolfson, president, and other members of the Wolfson family are listed as the principal holders of these securities. The shares being registered were issued in connection with an agreement made with the two underwriting firms as an incident to the company's acquisition of outstanding stock of Marine Exhibition Corporation, the Seaquarium company. A portion of such shares were resold privately to Wolfson and others.

**AEROQUIP CORP. FILES STOCK PLAN.** Aeroquip Corporation, Jackson, Mich., filed a registration statement (File 2-17438) with the SEC on December 29, 1960, seeking registration of 50,000 shares of common stock, to be offered under and pursuant to the company's Restricted Stock Option Plan.

**UNITED BOATBUILDERS FILES FOR OFFERING.** United Boatbuilders, Inc., 9th and Harris, Bellingham, Wash., today filed a registration statement (File 2-17440) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Birr & Co., Inc. and Marron, Sloss & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The company will sell to the principal underwriters for \$1,000, 5-year options to purchase 10,000 common shares, exercisable at 110% of the public offering price.

The company is engaged in the business of manufacturing and selling fiberglass boats, of both inboard and outboard motor types, under the trade name "Uniflite". The \$400,000 net proceeds from the stock sale will be used primarily to improve its working capital position. Initially, \$168,000 will be applied to retire existing short term indebtedness and \$45,000 for expansion of the production area of the company's present plant. The balance will be added to the general funds and will be available for general corporate uses, including, particularly, working capital to carry inventories and accounts receivable, payment of expenses in expanding sales program into additional territories, and payment of research and development costs.

Pursuant to a recapitalization on December 19, 1960, the company's 8,000 common shares then outstanding were reclassified and split on a 5-for-1 basis into 40,000 common shares. The company also has certain indebtedness outstanding. Of the outstanding stock, Arthur M. Nordvedt, president, owns 10,000 shares, John L. Thomas owns 5,000 shares and management officials as a group own 18,575 shares.

**RIXON ELECTRONICS FILES FOR OFFERING.** Rixon Electronics, Inc., 2414 Reddie Drive, Silver Spring, Md., filed a registration statement (File 2-17441) with the SEC on December 30, 1960, seeking registration of 115,000 shares of capital stock, to be offered for public sale through Auchincloss, Parker & Redpath. The public offering price and underwriting terms are to be supplied by amendment. An additional 10,000 shares are to be sold to the underwriter by James L. Hollis, president and board chairman (the price to be supplied by amendment).

The company is a custom electronics engineering and development company engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. The net proceeds from the stock sale will be used to pay existing bank indebtedness of \$162,522 and existing demand notes to Hollis of \$45,000, with the balance to be added to working capital for use in connection with the company's expansion plans. It is expected that \$100,000 will be applied to further research and development relating to proprietary products, \$30,000 will be used to finance expansion of the marketing program, and \$50,000 will be applied to the purchase of shop, technical and other capital equipment needed in connection with the proposed new plant facilities; and the balance will be used

CONTINUED

to strengthen the company's financial position to permit it to accept new orders in connection with the expanded production and exploitation of certain proprietary products.

Pursuant to a recapitalization of October 15, 1960, the company's 61,013 capital shares then outstanding were reclassified into 366,078 capital shares which, in addition to certain indebtedness, are now outstanding. Of such outstanding stock, Hollis owns 83% and management officials as a group own 89%.

FIDELITY FUND ACQUISITION CLEARED. The SEC has issued an order under the Investment Company Act (Release 40-3173) authorizing Fidelity Fund, Inc., Boston investment company, to issue its shares at their net asset value for substantially all of the cash and securities of The Wescon Company.

STANLEY YOUNGER SENTENCED. The SEC New York Regional Office announced December 29th (LR-1873) that Stanley Younger had received a sentence of 3½ years' imprisonment (USDC SDNY) on his plea of guilty to an indictment charging conspiracy to violate the registration and anti-fraud provisions of the Securities Act in the offer and sale of stock of National Photocopy, Inc., a non-existent company.

EFFECTIVE SECURITIES ACT REGISTRATIONS. January 3: Gulf States Utilities Company (File 2-16630); Iowa Power and Light Company (File 2-17274); Rohm & Haas Company (File 2-17302); 13 Daughters Co. (File 2-17200).

---ooo0ooo---