

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. 64-6-6)

FOR RELEASE June 8, 1964

NORMAN J. ADAMS' REGISTRATIONS REVOKED. The SEC today announced a decision revoking the broker-dealer registration under the Securities Exchange Act of Norman Joseph Adams, doing business as Adams & Company, 5455 Wilshire Blvd., Los Angeles, and also revoking his investment adviser registration under the Investment Advisers Act (Release 34-7336). The action was based upon violations of the anti-fraud provisions of the Federal securities laws in Adams' offer and sale of securities of Industrial Fasteners, Inc., The Squire for Men, Inc., and Measurements Spectrum, Inc. The Commission found that in the sale of such securities Adams used "boiler-room" sales techniques involving the use of false and misleading statements and high-pressure telephone solicitation of unknown persons by untrained salesmen without adequate supervision, reflecting a disregard of the basic standards of conduct of a broker-dealer toward his customers. In addition, Adams sold shares at excessive prices, his mark-ups in a great number of sales of Industrial Fasteners stock ranging from 31% to 185% over his contemporaneous costs, and ranging up to 51% in the sale of Squire for Men stock.

GUARDIAN CONSULTANTS & MGM. 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 securities by Guardian Consultants and Management, Inc., of 223 Fremont St., Las Vegas, Nevada. 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 October 1963, the respondent company proposed the public offering of 210,000 shares of Class A stock at \$1 per share and 42,000 shares of Class B shares at 20¢ per share. The Commission asserts in its order that it has reason to believe that respondent's offering of the shares (which has not been completed) violated and will violate Section 17 (the anti-fraud provision) of the Securities Act by reason of the failure to disclose in its offering circular the pendency of certain litigation and the possible adverse effect thereof upon respondent's business operations and financial condition, and its use of proceeds of this offering. Respondent is engaged in rendering financial and other assistance to firms selling pre-need funerals (but primarily to four affiliated organizations). The law suit in question charges certain management officials and one such affiliate with wrongful appropriation of the plaintiff's ideas and plans for selling pre-arranged funerals; and it seeks an injunction as well as \$150,000 in damages plus \$150,000 additional damages for fraud and deceit.

ALAN-RANDAL SUSPENSION VACATED. The Commission has vacated its order of January 15, 1964, temporarily suspending a Regulation A exemption with respect to a 1961 public offering of stock by Alan-Randal Co., Inc., of Studio City, Calif. The suspension order was based in part upon the filing of a false report of stock sales pursuant to the exempt offering. The company proposed an offer of settlement whereby it agreed to repurchase from the underwriter (and the underwriter agreed to sell to the company) all of its stock presently held by the underwriter; and the company also agreed to file a corrected report of stock sales and to terminate the offering. Upon the basis thereof, the Commission concluded that the suspension order might appropriately be vacated.

CONN. YANKEE ATOMIC POWER SEEKS ORDER. Connecticut Yankee Atomic Power Company, a Connecticut public utility subsidiary of New England Electric System, a registered holding company, has applied to the SEC for an order under the Holding Company Act (Release 35-15084) authorizing its sale of an additional 100,000 shares of common stock to 12 of its sponsors for an aggregate of \$10,000,000; and the Commission has issued an order giving interested persons until June 29 to request a hearing thereon. Net proceeds from its stock sale will be applied to constructing a nuclear electric generating plant, estimated to cost \$98,500,000.

MILWAUKEE GAS LIGHT PROPOSES BOND OFFERING. Milwaukee Gas Light Company, Milwaukee, Wisc., subsidiary of American Natural Gas Company, New York registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing its sale at competitive bidding of \$18,000,000 of first mortgage bonds due 1989; and the Commission has issued an order (Release 35-15085) giving interested persons until July 7 to request a hearing thereon. Milwaukee Gas also proposes to issue and sell an additional 333,334 shares of common stock to its parent for \$4,000,008. Net proceeds from this financing will be used by Milwaukee Gas to pay off outstanding notes and to finance, in part, its 1964 construction program estimated at \$17,328,000.

HI-G FILES FOR OFFERING AND SECONDARY. Hi-G, Incorporated, Windsor Locks, Conn., filed a registration statement (File 2-22484) with the SEC on June 4 seeking registration of 120,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 20,000 shares (being outstanding stock) by the present holder thereof. The offering will be made through an underwriting group headed by P. W. Brooks & Co., Inc., 120 Broadway, New York; and 10,000 shares are to be offered initially to employees, directors and business associates of the company. The public offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has also agreed to sell to P. W. Brooks & Co. for \$200, 5-year warrants to purchase 20,000 common shares.

OVER

The company is principally engaged in the design, manufacture and sale of miniature and microminiature high-performance, hermetically sealed electromechanical relays. It also designs and manufactures a range of related products, utilizing both electromechanical and electronic components. Net proceeds from the company's sale of additional stock will be used for the purchase and installation of new production and test equipment, for additional development and research personnel and for working capital. In addition to indebtedness and preferred stock, the company has outstanding 475,000 shares of common stock, of which management officials as a group own 75.8%. The prospectus lists The Selina Lukash Foundation as the selling stockholder, which is offering its entire holding of 20,000 shares. Alvin Lukash is board chairman and president of the company.

LITHONIA LIGHTING FILES STOCK PLAN. Lithonia Lighting, Inc., Conyers, Ga., filed a registration statement (File 2-22489) with the SEC on June 5 seeking registration of \$900,000 of participation in its Employees Stock Purchase Plan, together with 100,000 shares of common stock which may be acquired pursuant thereto.

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. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the June 2 News Digest.

F. L. Jacobs Co July 1963 (3,6,12,13) Aug. 1963 thru Jan. 1964 (3,6,12)	United States Lines Co NJ April 1964 (12,13)
Cluett Peabody & Co Inc April 1964 (11,13)	Munsingwear, Inc April 1963 (11)
The Green Shoe Mfg. Co April 1964 (2,7,12,13)	Sealed Power Corp April 1964 (11)
Club Aluminum Products Inc Feb. 1964 (12,13)	Westinghouse Air Brake Co April 1964 (13)
Technical Measurement Corp April 1964 (12,13)	White Stag Mfg Co March 1964 (12)
Muskegon Piston Ring Co April 1964 (11,12)	Knapp-Monarch Co (Del) March 1964 (4,7,8,11)
Schick Electric Inc April 1964 (11)	Redwing Carriers, Inc April 1964 (11)
Aerovox Corp Mar. 1964 (11)	Jan. 1964 (12,13)
Armco Steel Corp April 1964 (3,11,13)	208 South Lasalle St. Corp April 1964 (11,13)
Union Investment Co April 1964 (11,13)	Adams Millis Corp April 1964 (11)
Liberty Fabrics of New York, Inc April 1964 (11)	Monongahela Power Co April 1964 (11)
McCrorry Corp April 1964 (12,13)	The New York Central RR Co (Del) April 1964 (7,13)
Pneumodynamics Corp April 1964 (11)	Rusco Ind, Inc Aug. 1963 (2,7,11)
Atico Financial Corp April 1964 (11)	Crowley Milner & Co April 1964 (11)
Mattel Inc April 1964 (12)	Maine Central RR Co April 1964 (11)
Nestle LeMur Co April 1964 (11)	Foote Mineral Co April 1964 (11,13)
H. K. Porter Co Inc (Del) April 1964 (3,13)	Detroit Gasket & Mfg Co April 1964 (11)
Progress Mfg Co Inc April 1964 (11)	S. H. Kress & Co Amend #1 to 8K for April 1964 (1)

INTERNATIONAL BANK (ARIZ.) GRANTED EXEMPTION. The SEC today announced the issuance of a decision under the Investment Company Act (Release IC-3986) declaring International Bank, an Arizona corporation with offices in Washington, D. C., to be primarily engaged in business other than that of an investment company. The Bank's principal assets as of June 30, 1963, consisted of 599,040 shares (18.1%) of the outstanding common stock of Financial General Corporation; all the outstanding stock of Officers, Finance Plan, Inc., which in turn owned 282,460 shares (8.6%) of the stock of Financial General and 256,752 shares (2.9%) of the outstanding common stock of The Equity Corporation; various securities of other subsidiaries, and an office building in Washington. The Bank had urged that, although it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (the Investment Company Act's test of an investment company), it is engaged in the business of operating the companies whose securities it owns, and that such ownership is simply the means by which its operations are made possible. The Commission concluded upon the basis of the record facts that the Bank had demonstrated that it was primarily engaged in business other than that of an investment company.

SECURITIES ACT REGISTRATIONS STATEMENTS. During the week ended June 4, 1964, 19 registration statements were filed, 24 became effective, 1 was withdrawn, and 264 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective June 5: Burlington Industries, Inc. (File 2-22433).
Effective June 8: 61 Jane Street Co. (File 2-22119); Public Service Company of Colorado (File 2-22376).

*As estimated for purposes of computing the registration fee.