

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 65-11-12)

FOR RELEASE November 17, 1965

GENERAL SECURITIES REVOKED. In a decision announced today under the Securities Exchange Act (Release 34-7744), the SEC revoked the broker-dealer registration of General Securities Co., Inc., 101 W. 57th St., New York, and barred Nicholas J. Papadakos, its president, from future association with a broker or dealer, for violations of the registration, anti-fraud and other provisions of the Federal securities laws.

According to the decision, the firm, aided and abetted by Papadakos, violated the registration and anti-fraud provisions of the Securities Act during 1962 and 1963 in the sale of common stock of Fleetwood Securities Corp. While the firm was acting as an underwriter for a public offering of registered securities of Fleetwood, respondents represented to prospective purchasers that securities it offered were beneficially owned by Fleetwood which would receive the net proceeds of the sale, whereas in fact respondents made sales of unregistered Fleetwood shares beneficially owned by them, the proceeds of which did not enure to Fleetwood. The Commission further found that General Securities also engaged in the securities business in violation of the SEC net capital and record-keeping rules.

DONALD BROPHY BARRED. The SEC has issued a decision under the Securities Exchange Act (Release 34-7745) barring Donald R. Brophy, of Canoga Park, Calif., from further association with a broker or dealer. Brophy was a sales representative for Century Securities Company, of Beverly Hills, Calif. Among other things, he was charged (along with Century Securities) with violating the Securities Act registration and anti-fraud provisions in the offer and sale of securities of Jayark Films Corporation. He failed to appear at the hearing to contest the charges and was deemed in default; and under Commission rules the allegations may be deemed true as to him. The proceedings are still pending with respect to Century Securities Company.

SEC ORDER CITES BILLINGS ASSOCIATES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 with respect to the broker-dealer firm of Billings Associates, Inc., of 472 South Saline St., Syracuse, N. Y. Also named as respondents were Pearne Billings and Judson E. Dockstader, president and vice president, respectively; William J. Irving, Arthur E. Laundenslager and Hedley Moore, former salesmen for the Billings firm; and Mitchel Steklof and Morris Cohen. The Billings firm is a member of the National Association of Securities Dealers, Inc.

The proceedings are based upon staff charges that Billings Associates and the seven individual respondents engaged in various acts and practices violative of the anti-fraud and other provisions of the Federal securities laws. The activities complained of relate in part to transactions in the stock of Consolidated Mogador Mines, Ltd., during the period June-December, 1964.

A hearing will be ordered later to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any remedial action is appropriate in the public interest.

REVOCATION OF MARKEN & CO. PROPOSED. SEC Hearing Examiner Irving Schiller has filed an Initial Decision in proceedings under the Securities Exchange Act involving the broker-dealer firm of J. E. Marken & Co., Inc., of New York City. The Examiner ruled that the said Marken firm and certain individuals had violated the anti-fraud provisions of the Federal securities laws in the 1962-63 sale of stock of Alaska International Corporation; and he concluded that the firm's registration as a broker-dealer should be revoked and that the individuals, namely John E. Marken, president, Morris Cipris, vice president, and Jack Perlow and Nat Horowitz, salesmen, should be barred from further association with brokers and dealers. Under Commission rules, the respondents have 15 days within which to appeal the decision to the Commission. These consolidated proceedings are still pending with respect to Christopher & Co., Inc., and certain individuals; the Examiner on October 15 filed his initial decision with respect to Harris Clare & Co., Inc., and certain other firms and individuals.

SALE OF TELACHE OIL-FROS-T-COOP. STOCK ENJOINED. The SEC Denver Regional Office announced November 2 (LR-3366) the issuance of a Federal court order (USDC, Boise, Idaho), with consent of the defendants, enjoining violations of the Securities Act registration and anti-fraud provisions in the sale of securities of Telache Oil & Mining Company, International Sales Co-op Ltd., S. W. Fros-T-Pup Co-op, Inc., or M. W. Fros-T-Dog Co-op, Inc. The said issuing companies as well as Joseph L. Smith, Elbert W. Brady, R. Dean Baird, and Telache Farm Improvement Association were enjoined.

JOSEPH HALDIMAN JR. ENJOINED. The SEC San Francisco Regional Office announced November 12 (LR-3367) the entry of a Federal court order (USDC, Phoenix) permanently enjoining Joseph Haldiman, Jr., with his consent, from further violations of the anti-fraud provisions of the Securities Act in the sale of Pinal County (Arizona) Development Association Industrial Revenue Bonds.

HARBIN, HAIST AND ZEIDWIG ACQUITTED. The SEC Atlanta Regional Office announced November 15 (LR-3368) that Judge Lewis R. Morgan (USDC Ga.) granted judgments of acquittal in favor of defendants Marion Lane Harbin, Richard W. Haist, Sr., and George Zeidwig, after hearing on charges of violating the Securities Act anti-fraud provisions in sale of securities of Georgia Jewelers.

OVER

DIGITEK PROPOSES OFFERING. Digitek Corporation, 6151 Century Blvd., Los Angeles, Calif. 90045, filed a registration statement (File 2-24230) with the SEC on November 16 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$6 per share by Mitchum, Jones & Templeton, Inc., of 510 South Spring St., Los Angeles. The underwriter has agreed to take the stock subject to prior sale, and will receive a 48¢ per share commission. The underwriter also may purchase, for \$2,493, a five-year warrant for the purchase of 9,975 shares, exercisable initially at \$6.42 per share.

Organized in 1961, the company designs and manufactures computer programs called compilers (used in conjunction with computers as programming tools). Of the net proceeds of its sale of additional stock, \$288,000 will be used to repay outstanding bank loans. The balance will be added to working capital and to the extent necessary may be used to finance work in process. The company has outstanding 319,000 common shares, of which management officials own 80.4%. James R. Dunlap, president, owns 32.57% of the outstanding stock and Donald R. Ryan, vice president, 27.71%.

ABACUS FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4410) authorizing the Abacus Fund, Inc., New York, registered closed-end diversified investment company, to acquire 15,700 shares of its common stock, at \$41 per share, from Bessemer Securities Corp. According to the application, Abacus and Bessemer entered into an agreement in September whereby Abacus would purchase such stock, subject to ratification by the Abacus board of directors and approval of the Commission. The Abacus board ratified the agreement on September 21, 1965. Section 23(c) of the Act prohibits a registered investment company from purchasing its own securities other than on a securities exchange or pursuant to tenders, except under such circumstances as the Commission may permit, to insure that such purchases are made in a manner or on a basis which does not unfairly discriminate against any holders of the class of securities to be purchased.

SOUTHERN CO. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15349) approving a 2-for-1 common stock split proposed by The Southern Company, Atlanta, Ga. This will increase Southern's outstanding shares from 23,662,250 to 47,324,500. In connection therewith, Southern proposes to transfer to its common stock capital account, from its paid-in capital surplus account, an amount equal to \$5 for each additional share of common stock issued, or an aggregate of \$118,311,250.

VTR SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in stock of VTR, Inc., for a further ten-day period, November 18-27, 1965 inclusive.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "**"):

File No.	Registrant	Location
1938	Coastal Chemical Corp	Yazoo City, Miss.
1942	First Hartford Realty Corp.	Manchester, Conn.
1939	Metalfab, Inc.	Beaver Dam, Wisc.
1940	Mississippi Chemical Corp.	Yazoo City, Miss.

MERIT CLOTHING HEARING CANCELLED. Merit Clothing Company, Inc., of Mayfield, Kentucky, has withdrawn its request for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934; and the SEC has cancelled the hearing on said exemption application, scheduled for November 22, 1965.

According to the withdrawal request, Merit Clothing proposes to file a registration statement within thirty days.

SECURITIES ACT REGISTRATIONS. Effective November 16: Waukesha Motor Co., 2-24120.
Effective November 17: International Utilities Corp., 2-24027 (Dec 27).

NOTE TO DEALERS. The last date or the period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.