

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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LEIMAN RESIGNS; SUCCEEDED BY DAVID L. RATNER. Chairman Manuel F. Cohen of the SEC announced today that his Executive Assistant, Leonard M. Leiman, would leave the staff of the Commission on or about September 1. Mr. Leiman, who has been Executive Assistant to the Chairman since Mr. Cohen took office two years ago, will return to the private practice of law in New York City.

The Chairman also announced the appointment of David L. Ratner as his Executive Assistant, to succeed Mr. Leiman. Mr. Ratner is an Associate Professor of Law at Cornell University, specializing in corporation and securities law, antitrust law, and taxation. He has been at Cornell since February, 1964, before which he was associated with the New York law firm of Sullivan & Cromwell for eight years, engaged principally in corporate and securities work. He was admitted to the New York bar in 1955.

Mr. Ratner was born in London, England on September 2, 1931, and received his A. B. degree in 1952 from Harvard College and his LL.B. in 1955 from Harvard Law School, where he was Article Editor of the Harvard Law Review. He is married to the former Charlotte Fickett of Portland, Maine, and they have three children.

EXETER SECOND FUND SEEKS ORDER. Exeter Second Fund, Inc., Claymont, Del., has applied to the SEC for an exemption order under the Investment Company Act with respect to the \$100,000 minimum net capital requirement of the Act; and the Commission has issued an order (Release IC-4678) giving interested persons until September 2 to request a hearing thereon. The applicant has filed a registration statement under the Securities Act for 800,000 shares of common stock, to be offered to investors in exchange for securities included in a list set forth in its prospectus (see SEC News Digest of July 18).

NATIONAL AVIATION RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4679) authorizing National Aviation Corporation, New York, closed-end, non-diversified management investment company, to purchase up to 16,000 shares of convertible preferred stock of Air Products and Chemicals, Inc., during the existence of an underwriting agreement with respect to a proposed public offering of 200,000 of such shares. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of said preferred stock is prohibited by the Act absent the issuance of an exemption order by the Commission.

UNIVERSAL SALES REVOKED, EXPELLED; INDIVIDUALS BARRED. In a decision announced today under the Securities Exchange Act (Release 34-7936), the SEC revoked the broker-dealer registration of Universal Sales, Inc., Waycross, Ga., and expelled the firm from NASD membership, based on violations of the anti-fraud and other provisions of the Federal securities laws. The Commission also barred Matthew Jackson Carswell, II, and Carson Fambrough Jacks, president and secretary of the firm, respectively, from future association with a broker-dealer firm.

On the basis of the order for proceedings and consents of the respondents, the Commission found that in 1965 and 1966, the firm, aided and abetted by Carswell and Jacks, accepted funds from customers as payments for certain securities, failed to remit such funds directly to the transfer agent for the issuer and deposited the funds to the bank accounts of Universal Sales and Carswell General Agency, without disclosing such facts to customers. It was also found that Universal Sales, aided and abetted by Carswell and Jacks, violated the minimum net-capital, record-keeping and financial-reporting requirements, and failed to file promptly an amendment correcting information contained in its registration application.

REGISTERED EXCHANGE FUND SEEKS ORDER. Registered Exchange Fund, Inc., New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4676) giving interested persons until September 6 to request a hearing thereon. According to the application, the company is not in operation and does not intend to engage in the business of being an investment company, nor does it intend to make a public offering of its securities (it withdrew a previously filed registration statement, having failed to raise the minimum amount of capital it had undertaken to raise).

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Great American Industries, Inc., for the ten-day period, August 17-26, 1966, inclusive, and over-the-counter trading in bonds of Pinal County Development Association for the same period.

DELISTINGS GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the National Stock Exchange to strike from listing and registration the common stock of The Cisco Group, Inc., effective at the opening of business on August 19. According to the application, the company was recently declared bankrupt and the U. S. District Court turned its assets over to a federal bankruptcy court for liquidation. An order was also issued granting an application of the American Stock Exchange to delist the 6% convertible subordinated debentures (due 1976), effective at the opening of business on August 22. The application states that as of July 8 only \$181,500 principal amount of the debentures remained outstanding, after giving effect to conversions of the issue.

OVER

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until August 30 to request hearings on applications of (1) the Detroit Stock Exchange for unlisted trading privileges in the common stock of Fairchild Hiller Corp., and (2) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of Teledyne, Inc., and United States Gypsum Co. (Delaware) and in the warrants for the common stock of Trans World Airlines, Inc.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act granting applications of (1) the Detroit Stock Exchange for unlisted trading privileges in the common stock of International Harvester Co. and (2) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stock of Trans Caribbean Airways, Inc.

MUTCH, KHANBEGIAN FIRM ENJOINED. The SEC New York Regional Office announced August 11 (LR-3557) the entry of a Federal court order (USDC, SDNY) enjoining Mutch, Khanbegian, Flynn & Green, Inc., and its principal officers, John Mutch, Montclair, N. J., and Andrew Khanbegian, Great Neck, N. Y., from further violations of the Securities Exchange Act net capital rule.

FIBC, OFFICERS RESTRAINED. The SEC San Francisco Regional Office announced August 11 (LR-3558) the entry of a Federal court order (USDC, Los Angeles) restraining F.I.B.C., d/b/a Fidelity Investment Bankers Corp., a Beverly Hills broker-dealer, Thomas K. Clevenger, its president, and Norman D. Coppage, its secretary-treasurer, from effecting securities transactions while the firm is insolvent and while it is in violation of the Commission's net capital and record-keeping requirements. The order also restrained the defendants from misappropriating or converting customers' moneys or securities in violation of the Securities Exchange Act, and restrained Clevenger and Coppage from dissipating the assets of Fidelity Investment Bankers Corp.

RAY BROGDON SENTENCED. The SEC Seattle Regional Office announced August 11 (LR-3559) that Ray S. Brogdon of Eugene, Ore., received a three-year sentence following his pleas of guilty to violating the Securities Act anti-fraud provisions and Section 1001 of Title 18, U. S. Code (USDC, Ore.). On July 8 Brogdon (d/b/a Investors Service Co.) was enjoined from further violations of the anti-fraud and net-capital provisions of the Federal securities laws.

COMPLAINT CITES PACIFIC OIL BROKERS, OTHERS. The SEC Seattle Regional Office announced August 12 (LR-3560) the filing of a complaint (USDC, WD Wash.) seeking to enjoin Edwin V. Anderson, W. E. Bailor, W. Warren Wilson, and Pacific Oil Brokers, Inc., from further violations of the Securities Act registration and anti-fraud provisions in the sale of interests in oil and gas leases located in Clay County, Ill.

HERMAN SHAW PLEADS GUILTY. The SEC Boston Regional Office announced August 12 (LR-3561) that Herman L. Shaw, formerly of Newton Center, Mass., pleaded guilty (USDC, SDNY) to an indictment charging violations of and conspiracy to violate the Securities Act registration requirements in the sale of common stock of Aquafilter Corporation. Sentencing was deferred to September 21.

THREE STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Eastman Kodak Company, 343 State St., Rochester, N. Y. 14650 (File 2-25391) (97,744 shares)
Gordon Jewelry Corporation, Stewart Bldg., Houston, Tex. (File 2-25395) (288,086 shares)
Tektronix, Inc., P. O. Box 500, Beaverton, Oregon 97005 (File 2-25402) (200,000 shares)

SECURITIES ACT REGISTRATIONS. Withdrawn August 15: Metropolitan Real Estate Investment Trust, 2-22784.