

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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FOR RELEASE April 27, 1960

LORD BALTIMORE HOTEL ASSOCIATES FILES. Lord Baltimore Hotel Associates, Canada House, 680 Fifth Ave., New York, filed a registration statement (File 2-16508) with the SEC on April 26, 1960, seeking registration of \$2,465,000 of Limited Partnership Interests.

Associates is a limited partnership consisting of Herbert R. Weissberg, as general partner and Nathan P. Baker and Herbert R. Weissberg as original limited partners. It was formed for the purpose of acquiring, for investment, the fee title to the Lord Baltimore Hotel in Baltimore, Md. The general partner has contracted to purchase the hotel property, land and fixtures for \$7,150,000, payable \$2,350,000 in cash and the balance by delivery to the seller of a purchase money first mortgage in the amount of \$4,800,000. The partnership does not intend to operate the hotel but will lease the hotel to Lord Baltimore Hotel, Inc., whose stock is owned by Weissberg, at an annual net rent of \$700,000 plus additional rent of 50% of the lessee's net profits.

The general partner has contributed \$75,000 in cash to the partnership and Baker \$10,000. The general partner has deposited \$150,000 on the purchase contract, of which \$75,000 has been assigned for the \$75,000 partnership interest. The partnership has agreed to reimburse the general partner for the remaining \$75,000. In addition, the general partner contributed the purchase contract for which he received \$250,000 in partnership interests.

TWO UNLISTED TRADING ORDERS ISSUED. The SEC has issued orders (Release 34-6253) (1) giving interested persons until May 13, 1960, to request a hearing upon an application of the Detroit Stock Exchange for unlisted trading privileges in the common stock of United Industrial Corporation and (2) granting a similar application of the Philadelphia-Baltimore Stock Exchange for such privileges in the common stock of Transiron Electronic Corporation.

DELISTING OF WEST INDIES SUGAR PROPOSED. The SEC has issued an order (Release 34-6253) giving interested persons until May 13, 1960, to request a hearing on an application of the New York Stock Exchange to delist the common stock of West Indies Sugar Corporation, whose stockholders have adopted a plan for its complete liquidation.

BRUNS, NORDEMAN HEARING POSTPONED. The SEC has authorized a further postponement from May 2 to 18, 1960, of the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether Bruns, Nordeman & Company of New York violated provisions of the Federal securities laws and, if so, whether its broker-dealer registration should be revoked. Counsel for the respondent and counsel for the Commission have undertaken to negotiate a stipulation of the facts which will serve as the basis for Commission decision in lieu of the development of a record through an evidentiary hearing, and the postponement will allow the parties the additional time to complete the negotiations.

ROBBINS & COMPANY REGISTRATION REVOKED. The SEC today announced the issuance of a decision (Release 34-6246) revoking the broker-dealer registration of Earl L. Robbins, doing business as Robbins & Company, 1331 Esperson Bldg., Houston, for various violations of the Federal securities laws and rules of the Commission thereunder. Robbins waived a hearing and consented to issuance of the revocation order.

The Commission ruled that Robbins violated its net capital rule and engaged in the conduct of a securities business while insolvent, and that his failure to disclose this insolvency constituted a violation of the anti-fraud provisions of the laws and Commission rules thereunder. The Commission also held that Robbins violated its record-keeping rules and that he violated Regulation T by his failure to cancel or liquidate about 65 purchases by customers in special cash accounts in 1958 and 1959, notwithstanding the failure of such customers to make cash payment within seven business days. The delays in payments in those accounts ranged as high as 60 days.

Moreover, according to the decision, Robbins participated during the period July 1958 to May 1959 in the public distribution of Delta Oil Company of Utah stock in violation of the Securities Act registration requirement. In September 1957, Delta issued 700,000 shares in exchange for the assets of Marion Mining Corporation,

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a company formed in April 1957 whose only assets were certain mining claims in Colorado which had been acquired by one Jack Cayias. Cayias was a stockholder of Marion and also was in control of Delta at the time of the exchange transaction. The 700,000 shares were distributed to Cayias and 18 other persons, and Cayias owned or controlled 295,000 of these shares. At least 269,500 of the 700,000 shares were thereafter transferred to broker-dealers and public investors, and of those shares Robbins acquired about 109,000 shares, mostly from Cayias and his associates and including 5,000 shares from Theodore Berrie, who became president of Delta after the exchange transaction. Robbins offered, sold and delivered 46,330 shares to some 80 public investors and to a number of broker-dealer firms in various parts of the United States, and in addition effected sales of 18,965 shares to 83 investors, which sales were subsequently cancelled. The Delta stock had not been registered and Robbins failed to establish that an exemption was available. Accordingly, the Commission ruled that his sales of the Delta stock violated the registration requirement of the Securities Act.

AMERICAN TELEVISION & RADIO ENJOINED. The SEC Chicago Regional Office announced April 21st (Lit. Release 1660) entry of a Federal court order (USDC, Minn.) preliminarily enjoining American Television & Radio Co. of St. Paul, Minn., and its president from violating the anti-fraud provisions of the Securities Act in the offer and sale of American Television stock. The defendants consented to entry of the court order.

RHINE - MAJESTIC PETROLEUM ENJOINED. The SEC Denver and Seattle Regional Offices announced April 22nd (Lit. Release 1661) entry of a Federal court order (USDC, Denver) against A. R. Rhine of Lakewood, Colo., A. R. Rhine dba Rhine Petroleum Industries, Inc., and A. R. Rhine, dba Majestic Petroleum Company, on their consent, and a final judgment of permanent injunction by default against Jess M. Paddock of Greeley, Colo., enjoining the defendants, their agents and employees, from further sales of oil interests or other securities in violation of the Securities Act registration requirement.

INDICTMENT NAMES BEN JACK CAGE, OTHERS. The SEC announces the return of an indictment April 22, 1960 (Lit. Release 1662) in the Federal district court in Fort Worth, charging Ben Jack Cage, Charles (Pete) Dunne, James E. Dunne, II, Leslie L. Gwalney, Jr., The Bankers Bond Co., Inc., and Henry J. Stites with fraud in the sale of bonds of the City of West Beach, Ky.

SEC COMPLAINT NAMES L. L. BOST. The SEC Washington Regional Office announced April 27 (Lit. Release 1663) the filing of court action (USDC, Baltimore) seeking to enjoin Luther L. Bost, dba L. L. Bost Company, from further violations of anti-fraud provisions of the Securities Act in the offer and sale of securities of Publishers Company, Inc.

FINANCING BY PENNSYLVANIA ELECTRIC APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14221) authorizing Pennsylvania Electric Company, Johnstown, subsidiary of General Public Utilities Corporation, to issue and sell an additional 125,000 common shares to GPU for \$2,500,000 and to issue and sell, at competitive bidding, \$1,000,000 of First Mortgage Bonds, Series due May 1, 1990. Proceeds of the sale of the bonds and stock will be used by the subsidiary to finance, in part, its 1960 construction program estimated to cost \$32,000,000.

COLUMBIA GAS STOCK OFFERING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14222) authorizing The Columbia Gas System, Inc., New York holding company, to issue and sell an additional 1,400,000 common shares at competitive bidding. Net proceeds of the stock sale, estimated at from \$25 to \$26 million, will be used in part to pay \$10,000,000 of bank notes and for financing part of the system's 1960 construction requirements, estimated at \$70,000,000.

B.T.L. CORP. SEEKS EXEMPTION. B.T.L. Corp., New York, has applied to the SEC for an order under the Investment Company Act declaring it to be engaged primarily in a business other than that of an investment company; and the Commission has issued an order (Release 40-3020) giving interested persons until May 6, 1960, to request a hearing thereon.

B.T.L., formerly known as Butler Brothers, was until recently engaged in the distribution of general merchandise. In February 1960 it sold to City Products Corporation all of its business, assets and properties as a going concern, including the right to use the name "Butler Brothers." The sales price consisted of about \$35,000,000 in cash and \$14,000,000 of subordinated installment notes of the purchaser.

AMERICAN LIFE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release 40-3021) granting an exemption with respect to stockholder approval of its initial directors, its investment advisory contract, and the selection of its independent public accountants, until the first annual stockholders meeting on December 6, 1960.

MUTUAL INVESTMENT FUND SEEKS ORDER. Mutual Investment Fund, Inc., Mutual Management Company, investment adviser and principal underwriter to the Fund, and First Investors Corporation, sponsor-depositor of a unit trust for the accumulation of shares of the Fund, have joined in the filing of an application for an order under the Investment Company Act permitting First Investors to offer and sell Fund shares to the shareholders of Diversified Trustee Shares, Series E, at one-half the regular sales price thereon; and the Commission has issued an order (Release 40-3022) giving interested persons until May 9, 1960, to request a hearing thereon.

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WIN-CHEK INDUSTRIES FILES FOR STOCK OFFERING. Win-Chek Industries, Inc., Moonachie, New Jersey, filed a registration statement (File 2-16506) with the SEC on April 26, 1960, seeking registration of 150,000 shares of Class A stock, to be offered for public sale at \$3.00 per share through a group of underwriters headed by Michael G. Kletz & Co. The underwriting commission will be 33¢ per share. In addition, Michael G. Kletz has purchased 12,500 shares of company stock at 10¢ per share from certain stockholders. The registration statement also includes 15,000 shares to be issued pursuant to a restricted stock option plan and 21,500 shares which are being registered but not offered.

The company was incorporated in 1950 and is engaged in manufacturing and distributing aluminum combination storm and screen windows, aluminum combination storm and screen doors, aluminum jalousie windows and doors and, aluminum clapboard siding. Of the proceeds from the sale of the stock, \$75,000 will be used to purchase additional aluminum siding inventory; \$50,000 to expand and develop the company's sales territories; \$75,000 to purchase additional van trucks, tractors and trailers; and the balance or approximately \$168,500, to improve the company's working capital position.

The company has outstanding, in addition to certain indebtedness, 175,000 shares of Class A stock and 450,000 shares of Class B stock. The three officers of the company, Sam Rapoport, board chairman and treasurer; A. Jesse Ivanhoe, President, and Herman Ivanhoe, executive vice president and secretary, own, equally, all the Class B stock, which is convertible into Class A. They also own 13.06% each of the Class A stock.

FOTO-VIDEO ELECTRONICS PROPOSES STOCK OFFERING. Foto-Video Electronics, Inc., 36 Commerce Road, Cedar Grove, New Jersey, filed a registration statement (File 2-16507) with the SEC on April 26, 1960, seeking registration of 125,000 shares of Class B common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by D. F. Bernheimer & Co., Inc., for which it will receive a selling commission of \$.60 per share. The underwriter is required to offer up to 25,000 shares to purchasers selected by the company, and it will receive a commission of 30¢ per share on any such sales. The company also has agreed to give the underwriter a four-year option to purchase up to 30,000 Class B shares at \$2 per share, which may not be reoffered until six months after completion of the offering of company stock.

The company was incorporated in 1954 and is engaged in the engineering, development, manufacture and sales of power supplies, television operating and test equipment, closed circuit television systems and related electronic equipment and services. Proceeds from the sale of the stock will be used in the amount of \$100,000 for research and development, including engineering expenses, necessary additional personnel and the acquisition of additional test and measuring instruments for the development of new accessory products for its existing product line of television cameras, monitors and other radar-television operational and test equipment. \$200,000 will be used for working capital to permit increased efficiency in the purchase of parts used in current and future production and to help finance the present backlog of orders. The balance of the proceeds will be used for sales promotion.

The company has outstanding 69,682.5 shares of Class A common stock and 179,248.5 shares of Class B Common stock, plus certain indebtedness. Albert J. Baracket, president, owns 52,000 shares (56%) of the Class A stock and 55,236 shares (23.4%) of the Class B. All officers and directors as a group own 60.4% of the Class A and 36.4% of the Class B.

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