

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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HAROLD GRILL DENIED REGISTRATION. In a decision announced today (Release 34-6989) the SEC denied broker-dealer registration to Harold Grill, doing business as Program Planning Co., 550 Fifth Ave., New York City, because of violations of the anti-fraud provisions of the Federal securities laws in 1959.

According to the decision, Grill in early 1959 participated with his then employer, Hannibal Associates Inc., in an extensive long-distance telephone campaign to sell the stock of Alaska Dakota Development Company (Addco) at \$3.50 or \$4 per share. Upon the basis of the testimony of six investors who bought Addco stock from Grill, the Commission ruled that Grill made fraudulent representations with respect to Addco and its stock, including statements that the stock was "one of the best investments going" and would increase in price rapidly as soon as information about the company's recent acquisitions of mineral leases were made public, that the price of the stock would double, triple, or increase tenfold, and that the company had excellent potentials and was "sure" to make money. These representations were false and misleading. The Commission rejected Grill's denials of these misrepresentations as not being entitled to any weight in light of the record facts; and it observed that the record shows, and Grill acknowledged, that Hannibal was conducting a boiler-room sales campaign with respect to Addco stock. Grill was "an active participant in this fraudulent, high pressure operation," the Commission concluded, and made "extravagant representations and predictions with respect to Addco's future prospects without any word of caution as to the risk involved in purchasing the securities in the absence of adequate information." (Hannibal's broker-dealer registration was revoked March 1960.)

GREATER WASH. INDUSTRIAL INVESTMENTS RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3609) on application of Greater Washington Industrial Investments, Inc., Washington, D.C., closed-end investment company, certifying to the Secretary of the Treasury that Greater Washington is principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available. Greater Washington proposes to qualify as a "regulated investment company" under the Internal Revenue Code for the tax year ending June 30, 1962, and in order to so qualify it is required, among other things, that the Commission make such a certification.

EXCHANGE CAPITAL CORP. EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3610) declaring that Exchange Capital Corporation, of Chicago, has ceased to be an investment company.

HART & CO. ENJOINED. The SEC New York Regional Office announced January 7 (LR-2478) the entry of a Federal court order (USDC, EDNY) permanently enjoining (by consent) N. A. Hart & Company, New York broker-dealer, and Norbert A. Hochschartner, of North Hills, N.Y., and Milton Cramer, of Bayside, N.Y., both partners of the firm, from violating the Exchange Act anti-fraud provisions and the Commission's net capital and book-keeping rules. An order was also entered continuing the prior appointment of Joseph F. Ruggieri as receiver of the firm's assets with power to distribute such assets ratably among the persons entitled thereto.

FRED HARVEY ASSOCIATES OFFER ACCEPTED. The SEC has vacated its June 29, 1962, order which temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering in 1961 by Fred Harvey Associates, Inc., of Mineral City, Nevada, of 50,000 common shares at \$1 per share. This action was taken pursuant to an offer of settlement accepted by the Commission upon the recommendation of its staff. The offer of settlement contained an amended offering circular correcting the deficiencies of the original filing which formed the basis of the suspension order, and set forth extenuating circumstances making it appropriate to vacate the suspension order.

AMERICAN BERYLLIUM & OIL HEARING POSTPONED. Upon request of counsel for American Beryllium & Oil Corp., Salt Lake City, the Commission has postponed from January 15 to 28, 1963, the hearing in its Denver Regional Office with respect to the suspension of a Regulation A exemption from registration for a public offering of stock by that company.

DATAMATION HEARING POSTPONED. The Commission has authorized an indefinite postponement of the hearing scheduled for January 15, 1963, in its New York Regional Office with respect to a Regulation A suspension order involving Datamation, Inc., of West Englewood, N. J., the parties having undertaken to negotiate a stipulation which would avoid the necessity for an evidentiary hearing.

SECURITIES ACT REGISTRATIONS. Effective January 8: Belock Instrument Corp. (File 2-20905); First Union Realty (File 2-20927); General American Transportation Co. (File 2-20949); Illinois Power Co. (File 2-20958). Effective January 9: Collins Radio Co. (File 2-20744); Genesco Inc. (File 2-20938); Metropolitan Acceptance Corp. (File 2-19088).