

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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de CASTRO REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6941) revoking the broker-dealer registration of Frank de Castro, Dr., Econ., Ph. D., doing business as Cosmopolitan Investment Services, Willemstad, Curacao, N. A. According to the order, de Castro failed to file any reports of his financial condition since his registration became effective in 1959.

SANDERS INVESTMENT REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6942) revoking the broker-dealer registration of Sanders Investment Company, Inc., 205 Gold Ave., S. W., Albuquerque, New Mexico. Alice Aurelia Shelton Sanders Reynolds, officer and principal stockholder of the company, was found to be a cause of the revocation order. The Commission also found that the firm, aided and abetted by Reynolds, (1) violated the Securities Act anti-fraud provisions in that it engaged in business while insolvent and permitted securities carried for the accounts of certain customers to be hypothecated without their consent, (2) violated the Commission's net capital rule and record keeping requirements and filed a false and misleading financial statement, and (3) violated the provisions of Regulation T; and, further, that the firm and its officers and agents were permanently enjoined (upon Commission complaint) by a Federal court order (USDC, NM) from engaging in the securities business while in violation of the net capital requirements.

SECURITY ADJUSTMENT REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6943) revoking the broker-dealer registration of Security Adjustment Corporation, 16 Court St., Brooklyn, N. Y. Warren W. Maslen, secretary-treasurer, was found to be a cause of the revocation order. The Commission found (1) that in January 1960 the firm violated the Commission's net capital rule, (2) that in February 1960 it was enjoined (upon Commission complaint) by Federal court order (USDC, EDNY) from further violations of the net capital rule, (3) that the firm and Maslen (and another officer) were permanently enjoined by the New York Supreme Court from engaging in securities transactions in that State, and (4) that in February 1961, after a guilty plea, the firm (and the other officer) were convicted in New York of grand larceny in connection with money and securities of customers and of hypothecating customers' securities as collateral for loans obtained by the firm. At the same trial, Maslen pleaded guilty to, and was convicted of, violating the anti-fraud provisions of the New York General Business Law and received a suspended sentence.

R. J. SOUTHWELL REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6944) revoking the broker-dealer registration of Robert J. Southwell, doing business as R. J. Southwell Co., 880 Bergen Avenue, Jersey City, N. J. The Commission found (1) that Southwell violated the financial reporting and record keeping requirements of that Act, and (2) that he was permanently enjoined (upon Commission complaint) in June 1962 by Federal court order (USDC, NJ) from further violations of the registration and records provisions of the Act.

VIOLATIONS CHARGED TO EQUITY GENERAL INVESTMENT CORP. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Equity General Investment Corporation, 888 Logan Street, Denver, Colo., violated the anti-fraud, anti-manipulative and other provisions of the Federal securities laws and, if so, whether its broker-dealer registration should be revoked.

The said company ("registrant") has been registered with the Commission as a broker-dealer since April 1, 1954. In its application for registration, Lee A. Huey was reported as president and principal stockholder; and in subsequent amendments, Huey was reported to be no longer an officer or director, Seymour J. Cassel was reported to be president and a principal stockholder, and Louis Wagner was reported to be vice-president and a director. Thereafter, Wagner was reported to be no longer an officer or director. According to the order, Wagner was permanently enjoined by a Federal court order in 1937 from certain violations in the purchase and sale of securities. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that in the offer and sale of the common stocks of Cemex of Arizona, Inc., Winterland, Inc., Shiprock Industries, Contract Electronics and Cryogenic Engineering Company from February 1959 to March 1961, Huey, Cassel, Wagner, and Irving Heyman and Edward Garber, salesmen, "engaged in transactions, acts, practices and a course of business which would and did operate as a fraud and deceit" upon investors in violation of the anti-fraud and anti-manipulative provisions of the Federal securities laws in that they engaged in the distribution and sale of said securities to customers with whom they were unacquainted by means of an intensive sales campaign and without any knowledge of the individual needs and circumstances of such customers or of the suitability of these securities to the customers' needs, and endeavored to place customers in a position where they were asked to make hasty decisions to buy the securities upon the basis of unsubstantiated representations and without having disclosed to them material facts concerning the true nature and worth of such securities. The staff charges that registrant and all or some of said persons made false and misleading statements of material facts to purchasers of the stocks of Cemex, Winterland, Contract and Shiprock. The alleged misrepresentations with respect to Cemex related, among other things, to the profitable operations, product acceptance, and earnings of Cemex; the increase in the value of Cemex stock and safety of an investment therein; dividends to be paid by Cemex; and the listing of its stock on a stock exchange. In addition, the staff charges that the misrepresentations made to purchasers of Winterland stock related to dividends to be paid by Winterland and an increase in the value of its stock, the limited group to

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which Winterland stock would be sold, and the amount of the offering which had been sold. The alleged misrepresentations with respect to Contract and Shiprock related to the value and marketability of such stocks and the use of the assets of Contract.

The Commission's staff also charges that registrant and Huey solicited and induced the stockholders of Universal Securities to sell to them assets of Universal, and, in connection therewith, (1) falsely represented that in exchange for such assets they would deliver to the stockholders certain securities owned by them, including stock of Cryogenic Engineering, Acceptance Company of the West, Shiprock Industries, and Contract Electronics, (2) obtained and disposed of Universal's assets and did not intend to deliver and did not deliver Cryogenic stock to the Universal stockholders but appropriated the assets (or their proceeds) to their own use and benefit, and (3) falsely represented to Universal stockholders that a registration statement under the Securities Act was being prepared for stock of Acceptance and that within 90 days registrant and Huey would sell Acceptance stock for the stockholders and deliver the proceeds to them. It is also charged that registrant and Huey undertook to act as underwriters on a best efforts basis in the offering and sale of Cryogenic stock and, in connection therewith, appropriated the proceeds to their own use and benefit and did not deliver the proceeds to Cryogenic within a reasonable time. Other violations of the Federal securities laws are charged, including (1) registrant's failure to file required financial reports and amendments to its registration application reporting Wagner's injunction and a change of business address, and (2) violations of the provisions of Regulation T.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence on the foregoing to determine whether the staff charges are true and, if so, whether the broker-dealer registration of Equity General Investment Corp. should be revoked. Registrant is a member of the National Association of Securities Dealers, Inc., and one of the issues in these proceedings is whether it also should be suspended or expelled from NASD membership.

TOKYO SHIBAURA ELECTRIC PROPOSES DEBENTURE OFFERING. Tokyo Shibaura Electric Co., Ltd., Tokyo, Japan, filed a registration statement (File 2-20896) with the SEC on November 20th seeking registration of \$20,000,000 of convertible debentures due 1978, to be offered for public sale through underwriters headed by Smith, Barney & Co., Inc., 20 Broad Street, and The Nomura Securities Co., Ltd., 61 Broadway, both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company produces electrical and electronic equipment, including home appliances and consumer electronic products, heavy duty electrical equipment, and lamps, tubes and semi-conductors. The net proceeds from the debenture sale, together with other funds, will be applied toward the financing of expenditures to be made for construction purposes and the financing of increased working capital requirements resulting from increased accounts and notes receivable. Construction expenditures for 1963 are estimated at \$63,500,000. In addition to certain indebtedness, the company has outstanding 1,386,000,000 shares of common stock, of which General Electric Company owns 6.7%. Taizo Ishizaka is board chairman and Fumio Iwashita is president.

ROPER CORP. FILES STOCK PLAN. Geo. D. Roper Corporation, Kankakee, Ill., filed a registration statement (File 2-20897) with the SEC on November 20th seeking registration of 25,000 shares of common stock, to be offered pursuant to its 1962 Employees Stock Plan.

SECURITIES ACT REGISTRATIONS. Effective November 21: Abingdon-Belvedere Associates (File 2-20789); Arden Farms Co. (File 2-20396). Withdrawn November 20: Capital Investments, Inc. (File 2-20387); Thompson Manufacturing Co. (File 2-19507). Withdrawn November 21: Consumers Mart of America, Inc. (File 2-19616).

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