

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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HEARING SCHEDULED ON LIFE AND FINANCE APPLICATION. Life and Finance Companies, Inc., Indianapolis, Ind., has applied to the SEC for an order under the Investment Company Act declaring that it is not primarily an investment company; and the Commission has scheduled a hearing thereon on November 6, 1963 in its Washington Office (Release IC-3790). The company also seeks an order extending the period during which it is exempt from the Act; and the Commission's order gives interested persons until October 25, 1963 to request a hearing thereon. The application states that Life and Finance is an investment company as defined in Section 3(a)(3) of the Act by virtue of the fact that more than 40% of the value of its assets consists of securities of Great Fidelity Life Insurance Company and Wabash Fire & Casualty Insurance Company, which are "investment securities" under the Act. Section 3(b)(2) provides that, notwithstanding Section 3(a)(3), the term "investment company" does not include an issuer which the Commission finds and declares to be primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities either directly or through majority-owned subsidiaries or through controlled companies conducting similar types of businesses. Applicant states that it believes it controls Great Fidelity and Wabash and is entitled to the requested exemption.

SENTENCES IMPOSED IN GULF COAST LEASEHOLDS CASE. The SEC announced October 8 (LR-2759) the imposition of the following sentences after conviction by a jury or on pleas of guilty (USDC, SDNY) to charges of violating the Securities Act registration and anti-fraud provisions in the sale of securities of Gulf Coast Leaseholds, Inc.: Roy B. Kelly, of Washington, D. C., three years in prison and \$25,000 fine; Cecil B. Hagen, of Houston, three years in prison and \$25,000 fine; Milton J. Shuck, of New York City, 18 months in prison and \$25,000 fine; John Van Allen, three years suspended sentence and placed on probation for three years (on condition he refrain from engaging in the securities business) and \$50,000 fine; Martin Teller, five years probation (with same condition) and \$25,000 fine; Jules Bean, one year suspended sentence with a one year probation and \$30,000 fine; Irving H. Hertzberg, fifteen-month suspended sentence with five years probation and \$15,000 fine; F. W. McDonald & Co., \$15,000 fine; and Gulf Coast Leaseholds, \$25,000 fine.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, October 14 to October 23, 1963, inclusive.

TASTEE FREEZ SUSPENSION CONTINUED. The SEC has ordered the suspension of trading in the common stock of Tastee Freez Industries, Inc. on the American Stock Exchange and over-the-counter market for a further ten-day period, October 14 to October 23, 1963, inclusive.

COMMONWEALTH EDISON SHARES IN REGISTRATION. Commonwealth Edison Company, 72 West Adams St., Chicago, filed a registration statement (File 2-21794) with the SEC on October 10 seeking registration of 4,550 shares of common stock. Such shares represent a $1\frac{1}{2}$ % stock dividend payable by the company at the rate of three shares for each 200 shares held on September 23, 1963. At the option of the shareholder, such shares may be offered for public sale by the agent through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, and Gore, Forgan & Co., 135 S. La Salle St., Chicago. The public offering price (maximum \$55 per share*) and underwriting terms are to be supplied by amendment. The company has outstanding 41,147,439 common shares.

ALLAN M. GLEZERMAN INDICTED. The SEC Chicago Regional Office announced October 9 (LR-2760) the return of an indictment (USDC, ND, Ohio) charging Allan M. Glezerman, of University Heights, Ohio, with violations of the Exchange Act anti-fraud provisions in connection with securities transactions with various broker and dealers.

SECURITIES ACT REGISTRATION. Effective October 10: General Acceptance Corp. (File 2-21697).

*As estimated for purposes of computing the registration fee.

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