

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE October 9, 1962

OFFERINGS OF THREE MIAMI COMPANIES SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to proposed public offerings of stock by ABC Business Forms, Inc., 3500 N.W. 71st Street, Decorative Interiors, Inc., 1191 N. W. 22nd Street, and Fifco, Inc., 1465 N.E. 129th Street, all of Miami, Florida.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. Each of the above companies, in notifications filed on July 27, 1962, February 27, 1962 and May 17, 1962, respectively, proposed the public offering of stock, as follows: ABC Business Forms, 70,000 common shares at \$3.50 per share; Decorative Interiors, 52,000 Class A shares at \$2.50 per share; and Fifco, 66,666 Class A shares at \$3 per share. Lancer Securities Company, of New York, was underwriter for the Decorative Interiors and Fifco offerings, which commenced on July 25, 1962 and September 7, 1962, respectively; and the Commission's orders with respect to these two companies asserts that Lancer failed to cooperate with the Commission by refusing to answer relevant questions concerning Decorative Interiors and Fifco and Lancer's disposition of their securities as underwriter. The Commission's order with respect to ABC Business Forms asserts that that company failed to comply with certain terms and conditions of the Regulation and that its offering circular is false and misleading in respect of certain material facts. Each order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Concerning ABC Business Forms, the Commission charges that it did not comply with the Regulation in that it failed to disclose all of its affiliates (and the nature of their affiliation), and all direct and indirect interests of its officers and directors in certain material transactions within the past two years to which the company was a party. The alleged misrepresentations with respect to ABC Business Forms relate to its failure to disclose in the offering circular the primary liability of a wholly-owned subsidiary under an existing lease. In addition, it is alleged that the company's offering circular was materially misleading in that (1) the cash position was deliberately overstated in a material amount in its original financial statements, (2) the financial statements include worthless assets and (3) as originally submitted, the financial statements were not prepared in accordance with generally accepted auditing and accounting practices and procedures in that the balance sheet included cash items received subsequent to the dates thereof.

TWO OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of stock by Charles Kreisler, Inc., 241 Park Avenue, New York, and The Harmar Co., Inc., 4 Sanderson Avenue, Dedham, Mass. Each order provides an opportunity for hearing, upon request, on the question whether the respective suspensions should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The two named companies, in notifications filed on February 27, 1961 and November 18, 1959, respectively, proposed the public offering of securities as follows: Charles Kreisler, 60,000 common shares for an aggregate of \$300,000; and Harmar Co., \$50,000 of 6 1/2% convertible subordinated debentures (series A). Eastern Investment Corporation, Manchester, New Hampshire, was underwriter on a best efforts basis for the Harmar offering.

With respect to the offering by Charles Kreisler, the Commission asserts in its suspension order that it has reasonable cause to believe (1) that the company's offering circular is false and misleading in respect of certain material facts, in that it failed to disclose information regarding the substantial capital deficiency of Charles Kreisler Auto Rental, Inc., in describing the transactions involving the issuance of stock in exchange for stock of the Auto Rental and two other firms, and failed to include the location and general character of the physical properties held (and the nature of the title thereto), and (2) that the company failed to cooperate with the Commission in that it persistently failed to respond to various communications from the Commission. The Commission also asserts that the exemption provided by the Regulation is not available to the company because the total amount of proceeds from the offering (including the amount of other securities required to be included in the computation) exceeds the \$300,000 limitation. With respect to Harmar Co., the Commission asserts that it has reasonable cause to believe that certain terms and conditions of Regulation A were not complied with in that the company failed to file a report of debenture sales which was due July 9, 1962.

ANTILLES ELECTRONICS HEARING SCHEDULED. On request of Antilles Electronics Corporation, San Lorenzo, Puerto Rico, the Commission has scheduled a hearing for November 14, 1962, at Room 308A, United States General Post Office Bldg., 30th & Market Sts., Philadelphia, to take evidence on the question whether an order of the Commission dated July 19, 1962, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of 100,000 Class A common shares at \$3 per share, should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in the company's offering circular.

OVER

HOT SPOT CO. PROPOSES OFFERING. Hot Spot Company, 234 West 44th St., New York, filed a registration statement (File 2-20806) with the SEC on October 5th seeking registration of \$400,000 of Limited Partnership shares, to be offered for sale at \$8,714.59 per unit (plus a 20% overcall of \$1,742.92). The partnership interests are to be offered by Robert Fryer, Lawrence Carr and John Herman, as General Partners of Hot Spot Company, to be formed as a New York Limited Partnership for the purpose of participating in the production of the dramatico-musical Play presently entitled "HOT SPOT." "HOT SPOT" is the tentative title of an original musical comedy with book being written by Jack Weinstock and Willie Gilbert, lyrics by Martin Charnin and music by Mary Rodgers. The partnership is to be formed to participate in a Joint Venture, of which the joint venturers, in addition to Fryer, Carr and Herman, are Belgrave Enterprises, Inc., and Jonhol Enterprises, Inc. and which Joint Venture will engage in producing and presenting the musical. Belgrave is owned by Morton DaCosta, who will serve as Director of and also collaborate in writing the musical. Jonhol is owned by Judy Holliday; and it will furnish the services of Miss Holliday as actress in the musical. This will be Jonhol's first venture in connection with a Broadway production.

The general partners will receive 54.1% of any net profits of the partnership, for which they will make no cash contribution. The four authors are to receive jointly 8% of the gross weekly box-office receipts of the musical. Belgrave will receive a fee of \$5,000 plus a royalty of 3% of the gross weekly box-office receipts; and it also may furnish the services of an assistant director, for which it is to receive an additional 1/4 of 1% royalty. Jonhol will receive a 10% royalty, with a minimum guarantee of \$3,500 per week, plus certain living expenses for Miss Holliday during the rehearsal period. Proceeds of the sale of limited partnership shares will be contributed to the original capital of the Joint Venture. According to the prospectus, purchasers of such shares will be entitled to 45.9% of the net profits of the partnership, which is equivalent to 35% of the net profits of the joint venture (or at the rate of 1% thereof for every \$8,714.59 contributed if there is no overcall, and for every \$10,457 if said overcall is made).

COLUMBIA GAS FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14717) authorizing the sale by The Columbia Gas System, New York holding company, of up to an aggregate of \$20,000,000 face amount of unsecured notes to banks. The proceeds will be added to treasury funds and will be made available to certain of its subsidiaries for construction and rate refunds to retail and wholesale customers.

INDICTMENT NAMES S A THAYER. The SEC Denver Regional Office announced October 5th (LR-2388) the return of an indictment (USDC Denver) charging Sylvester A. Thayer with violations of the Federal Perjury Statute in connection with his testimony taken in the Commission's investigation of Mt. Olympus Beryl-Yttrium-Fluor-spar Mining Corp.

SEC SEEKS TO ENJOIN SALE OF MARSHAL MFG. STOCK. The SEC San Francisco Regional Office announced October 5th (LR-2389) the filing of a complaint (USDC Las Vegas) seeking to enjoin violations of the Securities Act anti-fraud provisions in the offering and sale of stock of Marshal Manufacturing Co., Inc., by the defendant company, Allan L. Levine and Sidney Brustein. Separate action also filed against Langford, Inc., doing business as Langford and Washburn, George Thomas Langford and Gary Richard Washburn, principals of Langford, Inc., based upon similar charges as well as the additional charge of conducting a securities business without being registered as a broker-dealer and violation of the SEC net capital rule.

CERTIFIED PLANNING REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6908) revoking the broker-dealer registration of Certified Planning Corp., 550 Fifth Ave., New York, for violation of the financial reporting requirement under the Act.

AMPAL-AMERICAN ISRAEL CORP. PROPOSES DEBENTURE OFFERING. Ampal-American Israel Corporation, 17 East 71st Street, New York, filed a registration statement (File 2-20812) with the SEC on October 8th seeking registration of \$5,000,000 of 6% sinking fund debentures (Series J) due 1972, to be offered for public sale at 100% of principal amount on a best efforts basis by Israel Securities Corporation, of the East 71st St. address. The underwriter, which is a wholly owned subsidiary of the company's parent, Bank Hapoalim, B.M., will receive a 6 1/2% selling commission.

The company was organized in 1942 to develop trade between the United States and Israel and to participate in the economic development of Israel, principally by making funds available for commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, concerned with the development of Israel. The net proceeds from the debenture sale will be used to make such loans. In addition to various indebtedness and preferred stock, the company has outstanding 191 common and 45,457 Class A shares (both voting series). Hevrat Ovdim, Ltd. and Bank Hapoalim B.M. own an aggregate of 84.8% of the common and 100% of the Class A shares. Rudolf G. Sonneborn is board chairman and Abraham Dickenstein is president.

GLOBE SECURITY SYSTEMS FILES STOCK PLAN. Globe Security Systems, Inc., 2011 Walnut St., Philadelphia, filed a registration statement (File 2-20813) with the SEC on October 8th seeking registration of 31,250 shares of common stock, to be offered pursuant to its Employees' Restricted Stock Option Plan.

NATIONAL SECURITY LIFE HEARING POSTPONED. On request of company counsel, the SEC has authorized a further postponement from October 9 to November 6, 1962, of the hearing in stop order proceedings with respect to the Securities Act registration statement filed by National Security Life Insurance Company of Indianapolis.

SECURITIES ACT REGISTRATIONS. Effective October 9: Cantab Oil Co. (File 2-20675); Fieldcrest Mills, Inc. (File 2-20699); Furman-Wolfson Corp. (File 2-20604).