

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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HERCULES MINES AND WHITE CAPS GOLD MINING REGISTRATIONS WITHDRAWN. The SEC today announced a decision under the Securities Exchange Act (Release 34-8022) withdrawing the registrations of the San Francisco Mining Exchange of the \$.02 par value common stock of Hercules Mines Company of Nevada and of the \$.10 par value common stock of White Caps Gold Mining Company, based on the companies' failure to file annual reports on Form 10-K for the fiscal year ended December 31, 1965, in accordance with provisions of the Act. The two companies failed to appear at the hearing held in this case; thus, under the Commission's rules, they may be considered in default and the alleged failure to file the Form 10-K reports may be deemed to be true.

HAROLD E. WINTERHALTER CO. REVOKED. In a decision announced today under the Securities Exchange Act (Release 34-8025), the SEC revoked the broker-dealer registration of Harold E. Winterhalter, doing business as Harold E. Winterhalter Company of Forest Hills, N. Y. for failure to file a report of financial condition for 1965. Winterhalter did not file an answer to the order for proceedings which charged such failure to file; thus, the allegation may be deemed to be true. In 1965, Winterhalter was suspended from the NASD for four months for failing to make timely filing of his 1963 financial report.

THE CENTER SEEKS ORDER. The Center, Inc., Minneapolis, Minn., has applied to the SEC for an exemption order under the Investment Company Act with respect to certain proposed borrowings by Center from Investors Syndicate of America, Inc., a registered face-amount certificate company. The Commission has issued an order (Release IC-4821) giving interested persons until January 30 to request a hearing thereon. According to the application, Center was organized by Baker Properties, Inc., for the purpose of acquiring and developing properties; Baker, in turn, is affiliated with Investors Diversified Services, Inc., which holds all of the outstanding stock of Investors Syndicate of America.

NEES SEEKS ORDER. New England Electric System, Boston holding company, and certain of its public-utility subsidiaries, have applied to the SEC for an order under the Holding Company Act authorizing certain financing transactions; and the Commission has issued an order (Release 35-15642) giving interested persons until February 9 to request a hearing thereon. The subsidiaries propose to issue, from time to time through December 31, 1967, unsecured short-term promissory notes to banks and/or to NEES in the maximum aggregate amount of \$91,400,000 to be outstanding at any one time. The proceeds of the proposed borrowings are to be used to pay certain outstanding notes and for construction purposes.

JERSEY CENTRAL P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15643) authorizing Jersey Central Power & Light Company, Morristown, N. J., subsidiary of General Public Utilities Corp., to sell \$15,000,000 of debentures (due 1991) at competitive bidding. Jersey Central proposes to use the net proceeds for partial reimbursement of its treasury for amounts expended for 1966 sinking fund obligations on outstanding debentures and amounts applied to the cost of its 1966 construction program, and to prepay short-term notes to banks issued for that purpose. The cost of its 1966 construction program was approximately \$65,800,000.

NEW JERSEY P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15644) authorizing New Jersey Power & Light Company, Morristown, N. J., to sell \$5,700,000 of notes to banks by June 30, 1968. The company will use the proceeds thereof in connection with its construction program, estimated at \$12,000,000 in 1967.

CENTRAL AND SOUTH WEST CORP. SEEKS ORDER. Central and South West Corporation and four of its electric-utility subsidiaries have applied to the SEC for an order under the Holding Company Act authorizing the subsidiaries to sell some \$9,000,000 of promissory notes to the parent; and the Commission has issued an order (Release 35-15645) giving interested persons until February 10 to request a hearing thereon. The subsidiaries propose to use the proceeds of the note sales for the purpose of financing their respective construction programs.

VIRGINIA COMMONWEALTH BANKSHARES PROPOSES RIGHTS OFFERING. Virginia Commonwealth Bankshares, Inc., 800 E. Main St., Richmond, Va. 23214, filed a registration statement (File 2-25900) with the SEC on January 17 seeking registration of \$4,509,700 of subordinated convertible debentures (due 1982). The debentures are to be offered for subscription by common stockholders at the rate of \$100 principal amount of debentures for each 30 shares of common stock held. The record date is to be supplied by amendment. The subscription price is \$100 per unit. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Wheat & Co., Inc., 1600 Ross Bldg., Richmond, Va.

A bank holding company, the company controls The Bank of Virginia, The Bank of Warwick, and five other banks in Virginia. Net proceeds of its debenture sale will be used to repay \$1,500,000 of bank loans and for other corporate purposes. In addition to indebtedness, the company has outstanding 1,304,902 common shares, of which management officials own 4.5%. Herbert C. Moseley is board chairman and Frederick Deane, Jr., is

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AERO SYSTEMS PROPOSES OFFERING. Aero Systems, Inc., P.O. Box 625, Miami Springs, Fla. 33166, filed a registration statement (File 2-25903) with the SEC on January 18 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale at \$3 per share (10,000 shares are to be offered initially to certain of the company's friends and customers). The offering is to be made through underwriters headed by J. C. Roberts and Co., Inc., 1175 N. E. 125th St., North Miami, Fla., which will receive a \$0.30-per share commission. The managing underwriter has purchased, for \$1,250, warrants to purchase 25,000 common shares, exercisable initially at \$3 per share.

The company is engaged primarily in the sale, installation and servicing of communication, navigation, radio, radar and flight control systems and related electronic systems for aircraft. Net proceeds of its stock sale will be used for expansion purposes, payment of long-term obligations, personnel training and general working capital. In addition to indebtedness, the company has outstanding 215,000 common shares, of which management officials own 85.2%. Robert G. Holmes, Jr., president, and his wife own and control 80.6% of the outstanding stock.

GWALTNEY FILES FOR SECONDARY. Gwaltney Incorporated, Smithfield, Va., filed a registration statement (File 2-25904) with the SEC on January 18 seeking registration of 150,000 outstanding shares of common stock. The present holders thereof may offer the stock for public sale through underwriters headed by Wheat & Co., Inc., 1600 Ross Bldg., Richmond, Va. The public offering price (\$17 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of pork products, including "Genuine Smithfield" ham. In addition to indebtedness, it has outstanding 562,445 common shares, of which management officials own 83.6%. The company is owned and managed by members of the Gwaltney family. The prospectus lists three selling stockholders, Howard W. Gwaltney (president), who is offering 50,000 of 154,150 shares held; Julius D. Gwaltney (executive vice president); 50,000 of 159,350; and P. D. Gwaltney, 3rd (board chairman), 50,000 of 114,775.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the January 3 News Digest.

Patrician Paper Co Inc Dec 66 (7,8)	0-1261-2	Schlage Lock Co Dec 66 (7)	0-857-2
Interphoto Corp Dec 66 (12)	1-4864-2	Riker Video Industries Inc Dec 66 (12)	2-24495-2
Dana Corp Dec 66 (4,7,8,11,13)	1-1063-2	Instrument Systems Corp Nov 66 (2,7,13)	0-116-2
Hoerner Waldorf Corp Dec 66 (13)	1-4965-2	Eckerd Drugs Of Florida Inc Dec 66 (4,7,13)	1-4844-2
Republic Industrial Corp Dec 66 (4,713)	1-4057-2	National Mercantile Corp Dec 66 (7,9,11,12,13)	0-2298-2
Wayne Knitting Mills Dec 66 (7,11,13)	1-4057-2	Bullion Monarch Co Dec 66 (12)	1-3896-2
Air Products & Chemicals Inc Dec 66 (8)	1-2782-2	American Financial Corp Dec 66 (4,7,13)	0-839-2
Hitco Dec 66 (2,13)	1-4534-2	All American Assured Securities Co Inc Dec 66 (1,2,13)	0-1202-2
Bloomfield Bldg Industries Inc Amd #1 for Nov 66 (12)	1-5168-2	Botany Industries Inc Dec 66 (12)	1-5062-2

SECURITIES ACT REGISTRATIONS. Effective January 18: The Flying Tiger Line Inc., 2-25640 (40 days); Petroleum Funds, Inc., 2-25716 (90 days).
Effective January 19: American Air Filter Co., Inc., 2-25827 (40 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.