

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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SEC

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FOR RELEASE October 11, 1967

KEISTER EMPLOYMENT CLEARED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8176) granting an application of Henry C. Keister and an NASD firm wishing to employ him, for approval of the continuance of the firm in membership while employing Keister.

Keister was subject to a disqualification growing out of a November 1, 1966 decision of the Commission sustaining the NASD's expulsion from membership of H. C. Keister & Company and revoking Keister's registration as a registered representative. This disciplinary action was based, among other things, upon interpositioning prior to December 1962 of the Keister firm between another firm and the best market in the execution of orders for the latter's customers, as to which Keister "admittedly failed to exercise adequate supervision." On November 16, 1966, Keister's prospective employer (with which he had been associated for two years prior to the NASD disciplinary action) applied to the NASD for continuance in membership with Keister in its employ; and this application was disapproved by the NASD in April 1967 on the ground that it was "premature" to seek Keister's reinstatement so soon after the decision in the earlier action.

According to the application, Keister is to be employed as a salesman, his duties will include the analysis of securities and issuers, he will be under the supervision of the firm's president, who will process all orders obtained by Keister, and he will have no supervisory or executive authority. Keister asserts that he has been engaged in the securities business for 40 years without any complaint other than that involving the Keister Co. case; he is 67 years of age; and he has "suffered financial difficulties" as a result of the earlier action of the NASD.

The Commission concluded that, under the circumstances now presented to it, including the period of time the disqualification has been in effect and the fact that the misconduct giving rise to the earlier sanction occurred over four years ago and was not in the area of selling or securities analysis to which Keister's proposed employment will be limited, and in view of the limitations on his activities and the proposed supervision thereof, it would be appropriate to permit his reinstatement.

NEW ORLEANS PUBLIC SERVICE SEEKS ORDER. New Orleans Public Service Inc., New Orleans, and its parent, Middle South Utilities, Inc., have applied to the SEC for an order under the Holding Company Act authorizing the subsidiary to transfer \$5,000,000 from its earned surplus account to its common capital stock account, and to issue to its parent (which presently owns all of its presently outstanding 5,263,000 common shares) 500,000 additional common shares having an aggregate par value of \$5,000,000. The Commission has issued an order (Release 35-15870) giving interested persons until November 6 to request a hearing thereon. On August 31, the earned surplus of New Orleans amounted to \$17,135,382. Issuance of such common stock will permit New Orleans to convert into permanent capital a portion of its earned surplus.

POWER OIL TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Power Oil Company, for the further ten-day period October 12-21, 1967, inclusive.

THERMO NATIONAL FILES FOR OFFERING AND SECONDARY. Thermo National Industries, Inc., 108-34 Johnson St., Newark, N. J. 07105, filed a registration statement (File 2-27459) with the SEC on October 10 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$4.50 per share. Of this stock, 50,000 shares are to be offered by the company and 25,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Charles Plohn & Co., 200 Park Ave., New York 10017, which will receive a \$.45 per share commission. The company has agreed to pay the underwriter \$1,500 for expenses; and it has agreed, upon consummation of the offering, to sell to the underwriter 15,000 common shares at \$3.60 per share, payable \$10,800 at closing and the balance, \$43,200 to be evidenced by notes payable in four equal annual installments commencing one year from closing.

The company is engaged in a service business of commercial heat treating and electroplating metal components for various industries. Net proceeds of its sale of additional stock are expected to be invested in high-grade debt securities so as to be available for use in acquisition of metal working businesses. In addition to indebtedness, the company has outstanding 278,212 common shares, of which management officials own 73.5%. The prospectus lists six selling shareholders. Frank J. Rizzo (president) proposes to sell 6,000 of his holdings of 61,045 shares, Herbert Dobkin (vice president) 6,000 of 77,085, and the company's profit-sharing plan, 6,741 of 16,289; the others propose to sell shares ranging in amount from 1,000 to 4,000 shares.

LINCOLN NATIONAL VARIABLE ANNUITY PROPOSES OFFERING. Lincoln National Variable Annuity Fund B, 1301 S. Harrison St., Ft. Wayne, Ind. 46802, filed a registration statement (File 2-27460) with the SEC on October 10 seeking registration of \$20,000,000 of individual variable annuity contracts. The contracts are designed for retirement planning for individuals. Variable annuities are designed to provide annuitants with lifetime annuity installments which will tend to reflect changes in the cost of living. The Lincoln National Life Insurance Company seeks to accomplish this objective by providing a medium for investment in equity securities accompanied by annuity guarantees.

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Fund B was established by Lincoln National Life in December 1966. Gathings Stewart is chairman of the board of managers of Fund B designated by Lincoln National Life; and Walter O. Menge is board chairman and Henry F. Rood is president of Lincoln National Life.

PETROLEUM EXPLORATIONS, OTHERS, ENJOINED. The SEC Fort Worth Regional Office announced October 6 (LR-3823) the entry of a Federal court judgment in Topeka, Kansas, permanently enjoining Petroleum Explorations, Inc., and Petex Producing, Inc., both Kansas corporations, Don Langdon, of Topeka, Kansas, Earl R. Osgood, of Topeka, Kansas, Alvis Applebury, of Avalon, Mo., Walter Arnold, of Kincaid, Ill., Marvin Persell, of Holden, Mo., Dave Brown, of Aurora, Colo., and Orbreys Burns, of Sepulveda, Calif., from further violations of the registration provisions of the Securities Act in the offer and sale of fractional interests in oil rights on properties located in Carbon County, Wyo., and Stafford, Barton, and Wilson Counties, Kansas. Final judgments against defendants Brown and Burns were entered by default; all other defendants consented to the entry of the judgment.

VIVIAN W. BUIE CONVICTED. The SEC Fort Worth Regional Office announced October 9 (LR-3824) that the Federal court in Fort Worth had convicted Vivian W. Buie of Fort Worth on 14 counts of violations of the anti-fraud and registration provisions of the Securities Act, and the mail fraud and conspiracy statutes, in connection with the offer and sale of oil and gas leases and fractional undivided working interests by Buie, Mrs. Carrie C. Stevens of Richland Hills, Texas, individually and d/b/a Bonanza Lease Company, Bonanza Purchasing Agency, and C. C. Stevens Drilling Company, and James H. Everitt of Mansfield, Texas. Mrs. Stevens and Mr. Everitt earlier had pleaded guilty to one count of conspiracy.

AMERICAN EXPORT ISBRANDTSEN FILES. American Export Isbrandtsen Company ("AEIC"), 26 Broadway, New York 10004, filed a registration statement (File 2-27461) with the SEC on October 10 seeking registration of \$1,530,000 of 5½% subordinated promissory notes, an unspecified number of common stock purchase warrants, and 73,450 shares of common stock to be issued upon the exercise of all outstanding purchase warrants (including those referred to above). According to the prospectus, Dragor Shipping Corporation is to be merged into the company pursuant to shareholder approval of each company in September. The securities may be sold by recipients thereof from time to time in the over-the-counter market at prices current at the time of sale.

DPA SHARES IN REGISTRATION. DPA, Inc., 2636 Farrington St., Dallas, Texas 75207, filed a registration statement (File 2-27462) with the SEC on October 10 seeking registration of 160,930 shares of common stock. According to the prospectus, the shares were issued upon conversion of \$1,206,975 of 6% subordinated convertible debentures, due 1975. The present holders thereof propose to sell such shares from time to time in the over-the-counter market or otherwise, at prices current at the time of sale.

The company is engaged in the business of renting to its customers data processing equipment principally utilized to maintain financial and accounting records. In addition to indebtedness and preferred stock, it has outstanding 1,372,333 common shares. William J. Friedman is board chairman and John B. Tuthill is president. The prospectus lists 20 selling stockholders. The Wyle Laboratories proposes to sell all of its holdings of 100,000 shares, Coggeshall & Hicks, 12,000 of 18,884 shares held, and the Commercial Industries Corp., 10,000 of 32,500; the others propose to sell shares ranging in amount from 267 to 6,666 shares.

SECURITIES ACT REGISTRATIONS. Effective October 10: Avon Products, Inc., 2-27221; C. I. T. Financial Corp., 2-26527 (40 days); Hess Oil & Chemical Corp., 2-27252 (Nov 20); National Union Fire Insurance Co. of Pittsburgh, Pa., 2-26880; Raychem Corp., 2-27373; Scot Ltd Foods, Inc., 2-27222 (40 days); Wadell Equipment Co., Inc., 2-27091 (90 days); Zale Corp., 2-27338.
Effective October 11: Georgia International Life Insurance Co., 2-27149.

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.

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