

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

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)

(Issue No. 66-84)

FOR RELEASE May 2, 1966

**MARSHALL STEWART DISBARRED.** The SEC today announced a decision (Release 33-4829) denying to Marshall I. Stewart, an attorney of Beltsville, Md., "the privilege of appearing or practicing before the Commission" in the future. Stewart did not respond to the notice of proceedings or otherwise contest the action. The disbarment was based among other things upon violations of the Securities Act registration requirements in his sale in 1960-61 of stock of American International Savings and Loan Association, Inc. In October 1961 Stewart was permanently enjoined by Federal court order from further sales of the Association's stock in violation of the said registration requirement; and in March 1965 he pleaded guilty to a charge of offering such stock in violation of the registration requirement, was fined \$5,000, ordered to make restitution to investors and placed on 3 years' probation. In November 1965 Stewart was suspended from the District of Columbia Bar for three months because of his conduct in connection with the Association's stock offering.

**LESTER YURITCH CENSURE AFFIRMED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7875) affirming the NASD in its "censure" of V. Lester Yuritch, a registered representative of Merchantville, N. J., for violating the NASD's Rules of Fair Practice. An assessment of \$199 in costs also was upheld. The censure was based upon Yuritch's purchase of securities from a broker-dealer without having sufficient funds to pay for them, the sale of securities which he did not own and did not promptly deposit in his account with another firm, and his failure to settle the balance due arising out of the consequent "buy-in" executed by the latter firm. The transactions occurred in 1962.

**NASHUA CORP. FILES FOR SECONDARY.** Nashua Corporation, 44 Franklin St., Nashua, N. H., filed a registration statement (File 2-24900) with the SEC on April 22 seeking registration of 150,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., and Blyth & Co., Inc., 14 Wall St., both of New York 10005. The public offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company converts paper stock into products for mercantile and industrial use. In addition to indebtedness and preferred stock, it has outstanding 1,755,996 common shares (after giving effect to a proposed 3-for-2 stock split). According to the prospectus, descendants of the late James Richard Carter and their spouses own approximately 55.26% of the outstanding stock. The prospectus lists 11 selling stockholders, including Harold T. Davis and Lewis H. Parks, executors of the will of Evelyn C. Giles, who are offering all of 70,578 common shares under the will; and Robert E. Dobbyn, trustee u/w/o Winthrop L. Carter f/b/o Elizabeth B. Carter, et al, 30,000 of 153,234. The remaining selling stockholders are offering shares ranging in amounts from 1,500 to 7,351. James R. Carter is president of the company.

**RIEGEL TEXTILE FILES FOR SECONDARY.** Riegel Textile Corporation, 260 Madison Ave., New York 10016, filed a registration statement (File 2-24924) with the SEC on April 29 seeking registration of 223,761 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The public offering price (\$26 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company maintains a manufacturing and selling organization which spins, weaves and finishes textile products and cuts and sews infants' and household products. According to the prospectus, La France Industries, Inc., a fabric manufacturer, may merge into the company. Such merger is to be voted upon by stockholders of both companies on June 9. In addition to indebtedness and preferred stock, the company has outstanding 2,301,826 common shares, of which management officials own 13.4%. The selling stockholder is the estate of Leila E. Riegel, which presently owns 258,010 common shares. The executors of the estate are German H. H. Emory (board chairman), his wife, and the United States Trust Company of New York. William E. Reid is president of the company.

**NEKOOSA-EDWARDS PAPER PROPOSES OFFERING.** Nekoosa-Edwards Paper Company, 100 Wisconsin River Dr., Port Edwards, Wisc. 54469, filed a registration statement (File 2-24925) with the SEC on April 29 seeking registration of 75,000 shares of Series B cumulative convertible preferred stock. The stock is to be offered for public sale through underwriters headed by Loewi & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. 53202, and Eastman Dillon, Union Securities & Co., 570 Broad St., Newark, N. J. 07102. The dividend rate, public offering price (\$102 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a pulp and paper manufacturer and distributor. Net proceeds of its stock sale will be used to reduce \$9,600,000 of outstanding bank loans, the proceeds of which were used to finance upgrading the company's plants and machinery. According to the prospectus, the sale of the stock being registered is subject to the contemporaneous sale of approximately \$47,000,000 of industrial development revenue bonds of the City of Ashdown, Ark., the proceeds to be used to construct a paper mill which is to be leased from the city by the company. In addition to indebtedness and preferred stock, the company has outstanding 2,276,283 common shares, of which 351,875 shares, or 15.5% are owned by Butler Co., which shares are voted by Samuel A. Casey, company president, pursuant to an irrevocable proxy and a voting trust agreement. Such shares were recently issued to Butler Co. in connection with the company's acquisition of the remaining 50% interest of the paper-distribution business of Butler Co. All of the stock of Butler Co. is owned by Paul Butler, company director.

OVER

**LUBRIZOL FILES FOR SECONDARY.** The Lubrizol Corporation, 29400 Lakeland Blvd., Wickliffe, Ohio 44092, filed a registration statement (File 2-24897) with the SEC on April 25 seeking registration of 296,074 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York, and Prescott & Co., 900 National City Bank Bldg., Cleveland, Ohio. The public offering price (\$45 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company's principal activities consist of developing, manufacturing and marketing chemical additives for the petroleum industry. In addition to indebtedness, it has outstanding 4,873,873 common shares (as adjusted to reflect a 3-for-2 stock split to be effected on May 16). Management officials own 31.6% of the outstanding stock. The prospectus lists 33 selling stockholders, including The National City Bank of Cleveland, David A. Gaskill and Clayton G. Hale, trustees under agreements with Kelvin Smith (director and honorary board chairman) for Smith, members of his family and others, offering 30,000 of 634,800 shares held; Kelvin Smith, 30,000 of 213,735; and Kent H. Smith (director), 75,000 of 508,282. The remaining sellers are offering shares ranging in amounts from 750 to 21,114. Arthur O. Willey is board chairman and M. Roger Clapp is president.

**CROW, BROURMAN & CHATKIN REHEARING DENIED.** The SEC today announced the issuance of an order (Release 34-7876) denying a petition of Michael Shaub for a rehearing with respect to the Commission's order of March 15 revoking the broker-dealer registration of Crow, Brouman & Chatkin, Inc., 30 Broad St., New York. The Commission also denied a request of Jack Grover that he be allowed an additional 15 days to file a petition for rehearing. Shaub and Grover, together with 18 other respondents, had been found a cause of the revocation order. The Commission found no justification for granting either petition.

**UNITED SECURITY LIFE SUSPENSION CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of United Security Life Insurance Company for a further 10-day period, May 3-12, 1966, inclusive.

**PRESIDENTIAL BALANCED FUND TO BE DE-REGISTERED.** The SEC has issued an order under the Investment Company Act (Release IC-4584) giving interested persons until May 23 to request a hearing on its motion to declare that Presidential Balanced Fund, Inc., and Presidential Stock Fund, Inc., both of New York, have ceased to be investment companies. In a letter to the Commission dated July 21, 1965, one of the two promoters of the companies stated that neither company has sold any of its securities to the public or ever owned any securities issued by other persons or any other assets, that neither company intends to engage in any business or own any assets in the future, and that neither company is making or proposes to make a public offering of its shares.

**METROPOLITAN EDISON RECEIVES ORDER.** The SEC has issued a supplemental order under the Holding Company Act (Release 35-15458) approving maximum tender prices ranging from \$78.35 to \$91.75 per share in connection with the reacquisition by Metropolitan Edison Co., Berks County, Pa., of 25,400 shares of its five series of outstanding cumulative preferred stock. By order of November 8, 1965, the Commission authorized the company, subject to stockholder approval, to amend its charter to increase the amount of unsecured indebtedness, capital, and surplus. Metropolitan Edison proposes to reacquire, through an invitation for tenders, and retire a maximum of 25,400 preferred shares from dissenting stockholders who perfect their appraisal rights.

**AMERICAN GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15459) permitting American Gas Company and its public-utility subsidiary, American Gas Company of Wisconsin, Inc., to renew, extend, or refund certain outstanding promissory notes, and to sell additional notes to banks. According to the application, American and Wisconsin have outstanding 6% promissory notes in the respective amounts of \$434,000 and \$255,000, the 1966 maturity dates of which are to be extended. American proposes to sell \$136,000 of additional notes and Wisconsin \$195,000. Proceeds thereof are to be used for property additions, operating expenses, and the payment of interest on outstanding debt.

**AMERICAN P&L RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15460) authorizing Arkansas Power & Light Co., an electric-utility subsidiary of Middle South Utilities, Inc., to increase its authorized preferred stock, par value \$100 per share, from 500,000 shares to 1,000,000 shares. Arkansas also proposes to amend its charter to conform to certain conditions contained in prior orders of the Commission permitting it to sell various series of its preferred stock. The amendments will be submitted to stockholders for approval at a special meeting to be held on July 28. In connection therewith, Arkansas proposes to solicit proxies from the holders of its preferred stock.

**SECURITIES ACT REGISTRATIONS.** Effective April 28: Bluejay Oil Co., Inc., 2-24793.  
Effective April 29: Aluminium Limited, 2-24806; Beneficial Finance Co., 2-24864; Ford Motor Co., 2-24871, 2-24872 and 2-24873; The Hertz Corp., 2-24791 (June 8); Kansas Gas and Electric Co., 2-24680; Marathon Oil Co., 2-24740; Merck & Co., Inc., 2-24904; Monsanto Co., 2-24670 (June 10); Mountain Fuel Supply Co., 2-24812; National Dairy Products Corp., 2-24821.

**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.