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FOR RELEASE September 27, 1966

O'GORMAN, BARON SUSPENDED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7959) suspending Floyd Earl O'Gorman and Joseph Baron (former salesmen of Costello, Russotto & Co., of Los Angeles, Calif.) from association with broker-dealer firms for a 6-month period, effective September 26.

In an earlier initial decision of an SEC Hearing Examiner, the Examiner ruled that the Costello firm had violated the anti-fraud provisions of the Federal securities laws in connection with the sale of stock of Lou Kornhandler, Inc., Tabach Industries, Inc., and Device Seals, Inc.; and he also ruled that the firm's president and four salesmen (including O'Gorman and Baron) had participated in such violations. Upon the basis of such findings, the Examiner ordered revocation of the firm's broker-dealer registration; that the president, O'Gorman and Baron be barred from further association with any broker-dealer firm; and that the other two salesmen be suspended from such association for six months. Only O'Gorman and Baron appealed the decision of the Examiner, which has become final as to the firm and other individual respondents.

Based upon its independent review of the record evidence, the Commission sustained the Examiner's findings that O'Gorman and Baron violated or aided and abetted the Costello firm's violations of the said provisions of law, in that they made misleading representations of or omitted material facts concerning the earnings and prospects of the issuing companies as well as the future market prices of their securities. In view of certain mitigating circumstances, however, including the fact that the record did not indicate "the more flagrant types of high-pressure sales operations" or the use of long-distance telephone calls to solicit previously unknown prospective customers, the Commission concluded that the six-month suspension was appropriate in the public interest.

AMERICAN GAS PROPERTY SALE APPROVED. The SEC today announced a decision under the Holding Company Act (Release 35-15568) approving the sale by American Gas Company, of Omaha, Nebr., of its gas utilities properties and some other assets. Such sale is the first of a two-step plan of American which contemplates its ultimate dissolution. Proceeds of American's sale of assets (which do not include its stockholdings in American Gas Company of Wisconsin, Inc.), will be applied to the retirement of American's outstanding bonds and short term notes. Part II of the plan provides for distribution to American's other security holders of any remaining cash and its holdings of the Wisconsin company's stock, and the dissolution of American.

American distributes and sells natural gas at retail to some 2,748 customers in Carter Lake, Iowa, three communities in northwestern Missouri and three in southwestern Iowa. The properties are to be sold to Northern Natural Gas Company for \$2,170,000, subject to certain adjustments. Upon consummation of the sale, American will retire its outstanding bonds at the principal amount thereof plus accrued interest, and will deposit in escrow with the bond indenture trustee funds for the payment of the bond redemption premium (amounting to \$42,000) pending a determination under Part II of the plan whether such premium is payable under the standards of Section 11(e) of the Act. Part of the proceeds will also be applied to the payment of some \$540,000 of short-term notes. After providing \$165,000 for operating and other expenses, the balance of the proceeds, together with the Wisconsin stock, will be distributed by American to its debenture holders and stockholders, as provided in Part II of the plan (which will be the subject of later proceedings before the Commission).

The Commission approved Part I of the plan as conforming to provisions of the Holding Company Act, including the fairness of the consideration to be paid by Northern Natural for the gas properties.

SAM GOODY FILES FOR OFFERING AND SECONDARY. Sam Goody, Inc., 235 W. 49th St., New York 10019, filed a registration statement (File 2-25534) with the SEC on September 23 seeking registration of 156,250 shares of common stock. Of this stock, 62,500 shares are to be offered for public sale by the company and 93,750 shares (being outstanding stock) by the present holder thereof. The offering is to be made through underwriters headed by S. D. Fuller & Co., 26 Broadway, New York. The public offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to Fuller Co., for \$200, five-year warrants to purchase 20,000 shares of stock. It has also agreed to sell warrants for 5,000 shares to Granger & Co., one of the underwriters, for \$50; and the company and selling stockholder have agreed to pay to said firm \$7,500 for services rendered in connection with the negotiation of this financing.

The company is engaged in the sale at retail of phonograph records and related products. Net proceeds of its sale of additional stock will be added to working capital. The company is contemplating the expansion of its warehouse facilities and Garden State, N. J., and Philadelphia stores, the enlargement of its audio departments and the extension of its mail order business facilities. In addition to indebtedness, it has outstanding 259,701 common shares, of which management officials own 257,101 shares. Sam Goody, president, is the selling stockholder; he presently owns 250,601 common shares.

KNOWLEDGE COMMUNICATION FUND PROPOSES OFFERING. Knowledge Communication Fund, Inc., 51 N. High St., Columbus, Ohio 43215, filed a registration statement (File 2-25538) with the SEC on September 26 seeking registration of 1,000,000 shares of common stock. The stock is to be offered for public sale (at \$10 per share) through The Ohio Company, of the Columbus address, which will receive a \$0.85-per-share commission.

Organized under Ohio law in September 1966, the Fund is a diversified investment company whose investment

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objective is "possible long-term growth of capital and income through selective participation in the long-term progress of American business and industry." The Fund has outstanding 55 common shares, all purchased by The Ohio Co. at \$9.15 per share. The Ohio Co. is also the Fund's investment adviser. Edgar S. Noland is president of the Fund and The Ohio Co.

CHANDLER FUND PROPOSES OFFERING. Chandler Fund, Inc., 9777 Wilshire Blvd., Beverly Hills, Calif. 90212, filed a registration statement (File 2-25539) with the SEC on September 26 seeking registration of 1,000,000 shares of common stock. The stock is to be offered for public sale at net asset value (\$10 per share maximum*) plus a maximum sales charge of 8½%. Chandler Management Corp. is the Fund's investment adviser and distributor.

Organized under Delaware law in August 1966, the Fund is a diversified open-end investment company; its investment objective is "to seek long-term capital growth." Edward O. Chandler is president of the Fund and the investment adviser, as well as of Chandler & Co., the Fund's regular broker.

THREE STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Mid-America Pipeline Company, 1437 S. Boulder Ave., Tulsa, Okla. 74119 (File 2-25530) (88,300 shares)
Management Assistance Inc., 300 E. 44th St., New York 10017 (File 2-25537) (50,000 shares)
Kinney National Service, Inc. 10 Rockefeller Plaza, New York 10020 (File 2-25541) (24,965 shares)

FINANCIAL INDEPENDENCE FOUNDERS RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4708) declaring that Financial Independence Founders Series D Periodic Payment and Fully Paid Plans, a trust created under Pennsylvania law and a unit investment trust, has ceased to be an investment company. The application states that the shares underlying the plans were liquidated in 1960, and a final distribution of the proceeds of said liquidation was made in 1961. As of August 10, 1966, The First Pennsylvania Banking and Trust Co., the successor trustee, held \$44,294.39 for the account of 37 investors.

MARSH GROWTH FUND DE-REGISTERED. The SEC has issued an order under the Investment Company Act (Release IC-4709) declaring that Marsh Growth Fund, Washington, D. C., has ceased to be an investment company. The Commission has been informed that the company has no assets, has not sold any securities or conducted any business, and does not intend to offer any shares or conduct any business.

F-I-F PLAN RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4710) declaring that The F-I-F Plan Corporation Series XD Periodic Payment and Fully Paid Plans, a trust created under Pennsylvania law and a unit investment trust, has ceased to be an investment company. According to the application, the shares underlying the plans were liquidated in 1960 and a final distribution of the proceeds of said liquidation was made in 1961. As of August 10, 1966, the Trustee held \$679.05 for the account of 8 investors.

WESTEC TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Westec Corporation for the 10-day period September 28-October 7, 1966, inclusive.

MAURICE E. OLEN INDICTED. The SEC Atlanta Regional Office announced September 22 (LR-3589) the return of an indictment by a Federal grand jury in New Orleans charging Maurice E. Olen, Mobile, Ala., with violations of the Securities Act anti-fraud provisions in the sale of 8% notes of Louisiana Investment and Loan Corp., New Orleans.

AMERICAN & FOREIGN POWER RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4712) exempting American & Foreign Power Company Inc., New York, from certain provisions of the Investment Company Act. The exemptions apply to certain transactions with foreign affiliated enterprises or affiliated persons; loans and advances to controlled companies and subsidiaries and the acquisition of securities in connection therewith; the issuance of stock pursuant to the exercise of existing stock options; and the filing of periodic reports by three fully-owned subsidiaries which expect to register as investment companies.

THOMAS STEWART BARRED. The SEC has issued an order under the Securities Exchange Act (Release 34-7961) barring Thomas W. Stewart, 375 S. Royal Poinciana Blvd., Miami Springs, Fla. (former assistant vice-president of a registered broker-dealer), from future association with a broker-dealer. The respondent failed to file an answer as directed in the order for proceedings. Thus, under the Commission's rules he may be considered in default and the allegations against him as set forth in the order may be deemed to be true. Accordingly, the Commission found that between June 1961 and April 1963 Stewart violated the anti-fraud provisions of the Federal securities laws in that he appropriated customers' funds and securities to his own use.

SECURITIES ACT REGISTRATION. Effective September 23: Barjo Industries, 2-25190 (90 days). Effective September 26: Kentucky National Oil Co., Inc., 2-25375; New Jersey Life Insurance Co., 2-25504 (40 days). Effective September 27: Buckbee-Mears Co., 2-25401 (90 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.