

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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FOR RELEASE February 10, 1965

JERSEY CENTRAL P & L SEEKS ORDER. Jersey Central Power & Light Company, Morristown, N. J., has applied to the SEC for an order under the Holding Company Act with respect to its proposed sale of part of its interest in a three-stage electric pumped storage development located in Warren County, N. J.; and the Commission has issued an order (Release 35-15185) giving interested persons until March 2d to request a hearing thereon. The interest in the property, known as the Kittatinny Mountain Project, is to be sold to Public Service Electric and Gas Company, a non-affiliate. The ultimate generating capacity of the Project is estimated at 1,320,000 Kw, involving an ultimate aggregate expenditure estimated at more than \$100,000,000. A 65% interest is to be sold to Public Service Electric and Gas, which will pay an amount equal to the applicable portion of Jersey Central's total cost at the time of transfer. At November 30, 1964, Jersey Central's expenditures amounted to \$21,600,000.

JEFFERSON CAPITAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4162) declaring that Jefferson Capital Corporation, Wantagh, New York, has ceased to be an investment company.

KALVAR SHARES IN REGISTRATION. Kalvar Corporation, 909 S. Broad St., New Orleans, La., filed a registration statement (File 2-23159) with the SEC on February 8 seeking registration of 20,135 shares of capital stock. The stock is to be offered to stockholders of S. O. Systems, Inc. (S.O.S.), in exchange for the 56,127 outstanding common capital shares of that company, at the rate of one Kalvar share for each 2.8116 shares of S.O.S. (Of the stock being registered, 173 shares will be used to avoid the issuance of fractional shares.) The prospectus indicates that as of November 30, 1964, the holders of 48,000 S.O.S. shares had agreed to exchange their shares pursuant to the exchange offer. Three of such stockholders have advised Kalvar that they intend to offer 2,000 of the shares so acquired in the over-the-counter market at the then prevailing market price (\$95 per share maximum*).

The registration statement also includes \$67,500 of outstanding convertible notes due 1969 (convertible into 1,500 capital shares) and 1,300 outstanding shares of capital stock. The present holders thereof indicate that they may offer such securities in the over-the-counter market at prices prevailing at the time of sale.

The company is engaged in the development and marketing of a patented system of dry photography. According to the prospectus, it has operated at a loss since its inception in 1956, with an accumulated deficit as of December 26, 1964 amounting to \$4,272,293. While gross income from sales and research has increased during the eight and one-half years of the company's existence, costs and expenses have increased at a more rapid rate with the result that the net loss for the fiscal year ended March 31, 1964, amounted to \$1,177,985 as compared with \$810,571 for the year ended March 31, 1963. The increase in loss for the year ended March 31, 1964, is said to reflect principally increased overhead from installation and staffing of substantially expanded manufacturing facilities and intensified engineering and sales efforts. In addition to indebtedness, the company has outstanding 118,530 capital shares, of which management officials own 20%. The prospectus lists four selling securityholders, as follows: William W. Mallory, offering \$22,500 of notes and 500 capital shares; Frank H. Platt 2nd, \$13,500 of notes and 300 shares; Glen Major, \$22,500 of notes and 500 shares; and Frederick P. King, Jr., \$9,000 of notes. Alfred J. Moran is board chairman and Harold C. Harsh is president of Kalvar.

SECOND OHIO CAPITAL FUND PROPOSES OFFERING. Second Ohio Capital Fund Inc., 51 N. High St., Columbus, Ohio, filed a registration statement (File 2-23160) with the SEC on February 8 seeking registration of 1,000,000 shares of common stock, to be offered to investors in exchange for securities acceptable to the Fund. The basis of the exchange will be one share for each \$25 of market value of deposited securities, after deducting a maximum sales charge of 4%. Consummation of the offering is conditional upon the Fund's acceptance of at least \$5,000,000 of securities. The Ohio Company is listed as the dealer manager, as well as the Fund's investment adviser.

Organized under Ohio law in January 1965, the investment objective of the Fund 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 20 common shares, all of which are owned by The Ohio Co. Ewing T. Boles is president of the Fund and board chairman of The Ohio Co.

NATIONAL PERIODICAL FILES FOR SECONDARY. National Periodical Publications, Inc., 575 Lexington Ave., New York, filed a registration statement (File 2-23161) with the SEC on February 9 seeking registration of 210,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Hayden, Stone Inc., 25 Broad St., New York, and Prescott & Co., 900 National City Bank Bldg., Cleveland, Ohio. The public offering price (\$21.50 per share maximum*) and underwriting terms are to be supplied by amendment.

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The company is engaged in the publication of comic magazines and the distribution of magazines and paperback books. In addition to indebtedness, it has outstanding 1,281,086 common shares, of which management officials own 21.32%. The prospectus indicates that there are 30 selling stockholders, including the committee for the person and property of Harry Donenfeld, offering 150,000 of 350,736 shares held, and Jacob S. Liebowitz (president), 28,000 of 149,780.

SEC ORDER CITES TWO FIRMS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the following broker-dealer firms: (a) John M. Hubinger, Inc., dba First Colonial Corporation ("Hubinger, Inc."), First National Bank Building, Utica, N. Y. Also named as a respondent is John Mandeville Hubinger, president of Hubinger, Inc.; and (b) Seaboard Securities Corporation, 80 Wall St., New York. Also named as respondents are Leon Nash, president of the Seaboard firm, and Nelson Finkelman, Harold Ignatoff and Philip Markowitz (a/k/a Mark Phillips), salesmen from October 1962 to October 1963.

Each of the proceedings is based upon staff charges that the respective firms and individual respondents engaged in activities violative of provisions of the Federal securities laws and Commission rules thereunder. With respect to Hubinger, Inc., the charges relate to alleged violations of the Commission's net capital and record-keeping rules. The charges concerning Seaboard and the individual respondents in that case involve the offer and sale of stock of Vista Industries Corp. during the period October 1962 to October 1963 in alleged violation of the anti-fraud and anti-manipulative provisions of the laws.

Hearing will be held, at times and places to be announced, to take evidence on the staff charges and afford the respective respondents an opportunity to establish any defenses thereto, all for the purpose of determining whether the alleged violations occurred and, if so, whether any action of a remedial nature is appropriate in the public interest.

SPARROW AND WHITWORTH INDICTED. The SEC Denver Regional Office announced February 5 (LR-3150) the return of a 9-count indictment by a Federal Grand Jury in Denver charging Robert D. Sparrow and Edward Eugene Whitworth with violations of and conspiracy to violate the anti-fraud provisions of the Federal securities laws in the sale of securities issued by United Security Co., Inc., United Security Real Estate Investment Trust, Coast Wide Mobile Parks, Inc., and Coast Wide Mobile Parks Real Estate Trust.

MAXFIELD AND CHRISTOPHER GUILTY. The SEC Denver Regional Office announced February 4 (LR-3151) that Reed R. Maxfield of Chester, Utah, and John R. Christopher of Salt Lake City were found guilty (USDC Utah) on 8 counts of an indictment charging them with violations of Securities Act anti-fraud provisions in the sale of common stock of Unita National Insurance Co., a Utah corporation.

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. 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 caption of the several items of the form was included in the February 2 News Digest.

Commonwealth Land Title Ins Co		Big "C" Stores, Inc.	
Sept 64, (11)	2-6116	Sept 64, (4,7,13)	0-14
Oct 64, (2,7,13)	2-6116	Nov 63, (7,13)	0-14
Home Oil Co Ltd		Old Florida Rum Co	
Oct 64, (7,13)	1-3927	Dec 64, (11)	2-21608
Security Ins Co of Hartford		W. H. Nicholson & Co	
Dec 64, (2,11,12,13)	2-5145	Dec 64, (3,13)	2-12205
Cousins Properties Inc		Robosonics, Inc	
Oct 64, (7,13)	2-20111	Dec 64, (7,8)	2-17046
Nov 64, (7,13)	2-20111	Ginn & Co	
Dec 64, (7,13)	2-20111	Jan 65, (12)	1-4459
Modern Homes Construction Co		Hackensack Water Co	
Nov 64, (7,13)	0-127	Aug 63, (7,13)	1-353
Plastic Applicators Inc		May 64, (11,13)	1-353
Jan 65, (4,7,13)	2-15680	Marin County Financial Corp	
Antenna Systems, Inc		Jan 65, (11)	2-20332
Oct 64, (1,2,12,13)	2-20761	Cincinnati Milling Machine Co	
		Jan 65, (4,7)	1-3306

SECURITIES ACT REGISTRATIONS. Effective February 9: Dan River Mills, Inc. (File 2-23075). Effective February 10: General Numismatics Corp. (File 2-22829); Kennesaw Life and Accident Insurance Co. (File 2-23046); Pacific Delta Gas, Inc. (File 2-23045); Riegel Textile Corp. (File 2-23071); Western Investment Real Estate Trust (File 2-23013); Zenith Life Insurance Co. (File 2-23004). Withdrawn February 9: Martin Tahse as General Partner of The Golden Gate Co. (File 2-22601).

*As estimated for purposes of computing the registration fee.