

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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FOR RELEASE October 6, 1965

**RUSSELL L. IRISH DISCIPLINE REDUCED.** In a decision under the Securities Exchange Act announced today (Release 34-7718), the SEC cancelled a 30-day suspension and a \$5,000 fine imposed by the NASD upon Russell L. Irish, of Spokane, Wash.; but the Commission censured the firm for a violation of Regulation T and assessed costs of \$500 (a reduction from \$2,310 imposed by the NASD).

The Commission sustained an NASD finding that Irish had "arranged" for the extension of credit to one customer (in the sale of mutual fund shares) in violation of Regulation T; but it overruled NASD findings of similar violations involving seven other customers. The Commission also overruled NASD findings that the pattern of trading in and out of mutual fund shares in the accounts of seven customers showed that he did not have reasonable grounds for believing that his recommendations with respect to such trading were suitable for those customers. In reaching such conclusion the Board reversed the District Committee's dismissal of the allegation of such violations. However, it failed to call such dismissal up for review within the 30-day period specified in the NASD's Code of Procedure.

**STEEL & JAYSON SENTENCED.** On September 29, the Federal court in New York City imposed sentences upon Herbert Johannes Steel and Alice Jayson, a/k/a Alice Jacobsohn, following conviction for violating and conspiracy to violate the Securities Act registration requirement in the sale of Alaska International Corp. stock, and making false statements to the Commission. Steel received a one-year prison sentence and Jayson one-year, the latter being suspended and Jayson being placed on probation for two years. (LR-3339)

**EXCHANGE ACT RULE PAMPHLET.** Reprints of the General Rules and Regulations of the SEC under the Securities Exchange Act, as in effect June 1, 1965, may now be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402, at 55¢ per copy.

**GOLCONDA MINING HEARING POSTPONED.** The SEC has authorized a further postponement from October 8 to 23, 1965, of the hearing on the application of Golconda Mining Corporation for exemption from the Investment Company Act.

**SOUTHERN CAL. LIFE PROPOSES OFFERING.** Southern California Life Insurance Company, 380 East Green St., Pasadena, Calif. 91101, filed a registration statement (File 2-24100) with the SEC on October 5 seeking registration of 40,000 shares of common stock. It is proposed to offer the stock for public sale at \$50 per share (8,000 shares will be offered to the underwriter and certain company officials). The offering will be made through Wildermuth, McDonell & Company, Inc., of the Pasadena address, which will receive a \$5 per share commission on public sales. Robert M. Wildermuth, president and board chairman of the company, is president of the underwriter.

Organized under California law in June 1964, the company proposes to engage in the business of writing life insurance in California. Prior to obtaining a state license, it must have a minimum paid-in capital of \$500,000, and a minimum paid-in surplus of \$500,000. The sale of the 40,000 common shares is, in part, for the purpose of meeting such requirements. The company will apply to the state insurance department for a certificate after the completion of this offering. Of the net proceeds of this offering, \$10,000 will be expended for office equipment and supplies and some \$40,000 will be retained as operating funds. The balance will be invested in income producing securities.

**MASSENGILL CO. FILES FOR SECONDARY.** The S. E. Massengill Company, Bristol, Tenn. 37621, filed a registration statement (File 2-24101) with the SEC on October 5 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holder thereof through underwriters headed by Kidder, Peabody & Co., Inc., of 20 Exchange Place, New York. The public offering price (\$22 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of both "ethical" and "proprietary" pharmaceutical products. It has outstanding 1,000,000 common shares, of which management officials own 82.51%. Frank W. DeFriece is board chairman and Frank W. DeFriece, Jr., is president. The selling stockholders, Elizabeth Ann Moore, a director, owns 331,831 shares and proposes to sell 100,000.

**THORP FINANCE PROPOSES OFFERING.** Thorp Finance Corporation, 2100 Marine Plaza, Milwaukee, filed a registration statement (File 2-24102) with the SEC on October 4 seeking registration of \$5,000,000 of Series D 5% Capital Debentures, due 1985, and 10,000 shares of Series A 5% cumulative preferred stock, \$100 par. The debentures are to be offered for public sale at 102% of principal amount and the preferred shares at \$102 per share. The offerings will be made through regular employees, who will receive commission of 1%.

The business of the company and its subsidiaries consists primarily of direct lending on either a secured or unsecured basis; and it also purchases instalment sales contracts relating to durable personal property and accounts receivable from dealers and, to a limited extent, finances inventories of dealers from whom it purchases instalment sales contracts. Through its licensed agents it also sells insurance. Net proceeds of this financing will be added to working capital and initially may be applied to the reduction of short term

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debt. Such additional working capital, if any, may be used for general corporate purposes, including investments in or advances to subsidiaries. In addition to various indebtedness and preferred stock, the company has outstanding 1,864,895 shares of common stock, of which management officials own 27.6%. Francis J. Conway is board chairman and Emil E. Kostner president.

**UNION FUND PROPOSES OFFERING.** Union Fund, Inc., 212 Center St., Little Rock, Ark., filed a registration statement (File 2-24103) with the SEC on October 5 seeking registration of 2,000,000 shares of common stock. The Fund was organized under Delaware law in May 1965, as successor to "The Arkansas Fund, Inc.," a private investment corporation, whose investment objectives were substantially similar to those of the Fund. The assets of the Arkansas Fund are to be transferred to Union Fund, subject to all liabilities of the former, in exchange for Fund shares (the number of which will be supplied by amendment). Shares of Union Fund will be offered for public sale at their net asset value, plus an 8 1/2% sales charge. Union Management Corporation (of the Center St. address) will serve as the exclusive distributor as well as investment adviser. E. M. Arnold is president of Union Fund and A. Vernon Weaver is vice president. Weaver is president of Union Management and Arnold serves as one of its directors. Union Life Insurance Company of Little Rock owns 90% of the stock of Union Management; and the remaining 10% is owned by Arnold, who is also president of the Union Life Insurance Company.

**UNION PERIODIC PAYMENT PLANS IN REGISTRATION.** Union Management Corporation, 212 Center Street, Little Rock, Ark., Depositor for Union Periodic Payment Plans to acquire shares of Union Fund, Inc., filed a registration statement (File 2-24104) with the SEC on October 5 seeking registration of \$2,000,000 of Periodic Payment Plans (without insurance) and \$2,000,000 of Periodic Payment Plans (with insurance).

**ARKANSAS VALLEY INDUSTRIES SHARES IN REGISTRATION.** Arkansas Valley Industries, Inc., Mart Building, West Cantrell Rd., Little Rock, Ark. 72203, filed a registration statement (File 2-24105) with the SEC on October 4 seeking registration of 80,895 shares of common stock. Of this stock, 42,893 shares are held by shareholders of the company to whom the company issued such shares in connection with its acquisition of the stock of Mountaire Farms of Colorado, Inc. Such holders may offer the shares for public sale from time to time in the over-the-counter market at the then prevailing market price (\$9 per share maximum\*). The remaining 38,000 shares are reserved for issuance pursuant to the company's Qualified Stock Option Plan.

The company and its subsidiaries are engaged "in an integrated operation of growing, processing and marketing poultry and poultry products." In addition to indebtedness, it has outstanding 421,927 common shares, of which management officials own 11.7%. John R. Laughlin is president.

**CORRECTION RE MONSANTO FINANCE.** In the exemption application filed by Monsanto International Finance Company (St. Louis) under the Investment Company Act, the company seeks an exemption from all provisions of the Act (not an exemption with respect to its financing proposal, as stated in the News Digest of October 5). The parent company is Monsanto Company, of St. Louis.

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

File No.	O- Registrant	Location
1761	Aeronautical Electronics, Inc.	Raleigh, N. C.
1765	Dayton Aviation Radio & Equipt. Corp.	Troy, Ohio
1762	Frisch's Restaurants, Inc.**	Cincinnati, Ohio
1764	Gas Hills Uranium Co.**	Laramie, Wyoming
1763	LNC Corp.	Bethlehem, Penna.
1760	Lehigh Coal & Navigation Co.**	Bethlehem, Penna.
1759	Winston-Muss Corporation**	New York, N. Y.

**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 caption of the several items of the form was included in the October 1 News Digest.

Lake Ontario Cement Ltd Amend #2 to 8K for June 1963 ( 13)	2-12579-2	International Utilities Corp Amend #1 to 8K for Aug. 1965 ( 12,13)	1-116-2
E. J. Korvette, Inc Amend #1 to 8K for Jan. 1965 ( 7)	1-4037-2	Allegheny Airlines, Inc Amend #1 to 8K for June 1965 ( 4)	1-3631-2
Pacific Industries, Inc Amend #1 to 8K for July 1965 ( 2)	1-1360-2	U.S. Financial Amend #1 to 8K for April 1965 ( 13)	2-22482-2
General Development Corp Amend #1 to 8K for May 1965 ( 11)	1-4080-2		

Philadelphia Transportation Co August 1965 ( 3,13)	1-3565-2	Pullman Inc May 1965 ( 7,13)	1-172-2
Southeastern Timberland Trust August 1965 ( 7)	2-21967-2	Aluminum Co of Canada Ltd August 1965 ( 11,13)	1-3677-2
Consolidated Royalty Oil Co Sept. 1965 ( 13)	1-615-2	Giant Food Inc Sept. 1965 ( 3,11,12,13)	1-4434-2
Larsen Co Sept. 1965 ( 11)	0-1730-2	Walworth Co August 1965 ( 1,13)	1-798-2
Thermo-Disc, Inc July 1965 ( 11,13)	0-1723-2	San Juan Racing Association Sept. 1965 ( 11)	0-1721-2
Western Power & Gas Co July 1965 ( 2,4,7,13)	0-954-2	AFS Liquidating Corp August 1965 ( 2,3,11,12)	2-20027-2
Woodward & Lothrop Inc April 1965 ( 13)	1-1384-2		
Dec. 1964 ( 13)	1-1384-2	Unexcelled Chemical Corp August 1965 ( 2,7,13)	0-546-2
Citizens Utilities Co June 1963 ( 11)	0-1291-2	Bowmar Instrument Corp July 1965 ( 10)	1-4817-2
Feb. 1964 ( 8)	0-1291-2	Handachy Chemical Company Sept. 1965 ( 11)	2-18767-2
June 1964 ( 11)	0-1291-2	Republic Supply Co of Calif. Sept. 1965 ( 11,13)	0-194-2
June 1965 ( 11)	0-1291-2	Alaska Airlines, Inc Amend #1 to 8K for August 1965 ( 11)	1-3314-2
Purity Stores, Inc July 1965 ( 4,13)	0-1116-2	Leeds Shoes, Inc Amend #1 to 8K for August 1965 ( 13)	2-23528-2
Cle-Ware Industries, Inc August 1965 ( 2,13)	0-1683-2	Virco Mfg. Corp Amend #1 to 8K for July 1965 ( 13)	0-1353-2
Shinn Industries, Inc August 1965 ( 7,8,13)	2-17338-2	Oberman Mfg. Co April 1965 ( 6,9,11,12,13)	2-5530-2
Simmonds Precision Products Inc August 1965 ( 2,7,13)	1-4942-2	Universal Food Products, Inc June, July & August 1965 ( 7)	0-1336-2
United States Plastics, Inc June 1965 ( 11,13)	2-22990-2		
Arrow Electronics Inc April 1965 ( 11)	1-4482-2		
Radiant Lamp Corp August 1965 ( 7,8)	2-16109-2		
Russell Mills, Inc August 1965 ( 11)	2-20776-2		
Temperature Engineering Corp Sept. 1965 ( 2,7)	0-1455-2		
General Foam Corporation Amend #1 to 8K for June 1965 ( 7)	1-4664-2		

INSURANCE CO. OF NO. AMERICA FILES STOCK PLAN. Insurance Company of North America, 1600 Arch St., Philadelphia, filed a registration statement (File 2-24106) with the SEC on October 5 seeking registration of 280,545 shares of capital stock, to be offered pursuant to the company's Stock Option Incentive Plan of 1951.

SECURITIES ACT REGISTRATIONS. Effective October 6: ITT Avis, Inc., 2-23002 (Jan 3).

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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