

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. 65-10-19)

FOR RELEASE October 27, 1965

NASD DISCIPLINE OF COSTELLO, RUSSOTTO SUSTAINED. In a decision announced today under the Securities Exchange Act (Release 34-7729), the SEC sustained disciplinary action of the NASD against Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif., and its president, Frank A. Costello. The NASD had suspended the firm from membership, as well as Costello's registration representative, for a 60-day period, fined Costello \$1,000, and assessed costs of \$429.12 against Costello and \$209.05 equally against both the firm and Costello. The Commission concurred in the NASD's findings of violations, concluded that the penalties were not excessive or oppressive, and dismissed the appeal from the NASD action.

The NASD found that during February 1962-August 1963 the firm, in its sales to and purchases from customers of the stocks of five issuers, charged prices not reasonably related to the prevailing market prices for the securities. Out of 1,371 sales transactions, there were 522 mark-ups in excess of 10%, of which 261 exceeded 20%, 79 exceeded 35% and 13 were at 57%. While there were substantially fewer mark-downs than mark-ups in excess of 10%, the Commission also found that mark-downs by the firm also were excessive.

SEC ORDER CITES ALLIED DEVELOPMENT COMPANIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Allied Development Companies, Ltd., of Jacksonville, Ill. Also named as respondents are Joe E. Foster, Jr., president, and Maurice D. Edwards and Carl K. Evans, vice presidents.

The proceedings are based upon staff charges that since November 1960 Allied Development and the individual respondents engaged in certain activities violative of the registration anti-fraud and other provisions of the Federal securities laws. The activities complained of involve transactions in the stock of Allied Development as well as the stocks of Key Life Insurance Company, Reinsurance Investment Company, Key Life Insurance Company of Wyoming, and Wide West Investments, Inc.

A hearing will be scheduled later to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any remedial action is appropriate in the public interest.

CORPORATE OFFERINGS REPORTED. The SEC announces (for October 28 Newspapers) that new corporate securities offered for cash sale in the third quarter of 1965 totaled \$3.8 billion. This was one-fourth less than the near-record volume in the preceding quarter, reflecting the usual tapering-off in financing during July and August. However, preliminary figures for September place the total at \$1.6 billion, the highest figure ever reached in that month, with an enlarged volume of both publicly-offered and privately-placed issues. Total new issues in the first nine months of 1965 have amounted to a record \$11.9 billion, about 15 percent more than the volume in the comparable period of last year, the larger volume this year attributable to the greater needs of corporations to finance their expanded plant and equipment outlays and inventories. The increase in securities offerings in 1965 has been almost entirely in debt issues which aggregated \$10.2 billion for the first nine months, \$2.5 billion higher than in the same periods of the two preceding years. For additional details, see Stat. Release No. 2085.

ATLAS ACCEPTANCE PROPOSES RIGHTS OFFERING. Atlas Acceptance Corporation, 1808 Main St., Kansas City, Mo. 64108, filed a registration statement (File 2-24152) with the SEC on October 25 seeking registration of 50,000 shares of Class A common stock. The stock is to be offered for subscription by stockholders at the rate of one new share for each five shares held on the effective date of this registration statement, and at \$6.125 per share.

The company is engaged in the finance business. According to the prospectus, it is conducting a program of diversification "slanted towards the fields of urban renewal, ranchland operations, mortgage financing within the agricultural fields, and managerial services for absentee owners who wish to make investments in these areas." During the last few years, a substantial portion of its income has been derived from cattle financing and data processing fees originating from the management activities of Oppenheimer Industries, Inc. Net proceeds from the company's stock sale will be added to general working funds. Of such funds, 50% will be allocated to the field of mortgage finance, 30% will be utilized in acquiring additional properties within the area of proposed urban renewal in Kansas City, Mo., and the balance will be reserved for acquiring corporations engaged in agricultural fields as the opportunities arise. The company has outstanding 232,464 Class A and 37,500 Class B common shares. Management officials own 33% of the outstanding stock (including 30% owned by Harold L. Oppenheimer, board chairman and president).

BIG HORN NATIONAL LIFE FILES FOR OFFERING. Big Horn National Life Insurance Company, 430 E. 1st St., Casper, Wyo., filed a registration statement (File 2-24154) with the SEC on October 25 seeking registration of 65,733 shares of common stock and a like number of common stock purchase warrants, to be offered for subscription by common stockholders in units consisting of one share and one warrant. The offering is to be made on the basis of one unit for each five common shares held on November 15. Unsubscribed units are to be offered for public sale through company officials and may be offered through certain sales personnel who will receive a 12 $\frac{1}{2}$ % commission. The company is also registering 122,922 common shares to be offered from time to time pursuant to stock warrants and options which have been or may be issued to employees, agents and others. Also being registered are 5,325 outstanding common shares to be offered for public sale by the present holders at the best available price at the time of sale (\$8 per share maximum*).

OVER

Organized under Wyoming law in 1960, the company began writing life insurance in May of 1963. Of the net proceeds from its stock sale, \$100,000 will be used to meet operating expenses for one year and the balance will be used in the conduct of its insurance business. The company has outstanding 328,668 common shares, of which management officials and members of their immediate families own 6.4%. Management officials also own warrants to purchase 21,000 common shares. Through a prior public offering of stock the company sold 295,258 common shares at \$5 per share and subsequently sold to stockholders 20,085 shares at \$8.50 per share. The prospectus lists five selling stockholders, including R. H. Harris (former president of the company), offering 2,500 shares. The remaining sellers are offering stock ranging in amounts from 250 to 1,000 shares. All of the selling stockholders are offering their entire stock holdings. Van Irvine is board chairman and Robert J. Murphy is president.

FINE PRODUCTS PROPOSES OFFERING. Fine Products Company, Inc., 827 Telfair St., Augusta, Ga., filed a registration statement (File 2-24157) with the SEC on October 25 seeking registration of \$1,000,000 of 6% convertible subordinated debentures (due 1990) and 60,000 shares of common stock. The securities are to be offered for public sale at \$1,000 per debenture and \$10 per share, through The Johnson, Lane, Space, Smith Corp., 101 East Bay St., Savannah, Ga. The underwriter is to receive a commission of \$60 per debenture and \$.80 per share. It will also receive fees totaling \$24,000 in connection with the private placement of a note issue.

Organized under Georgia law in October 1965, the company is the successor to a candy business conducted by a firm of the same name. It has entered into a contract to purchase the assets of such business for a price of \$1,875,000 and the assumption of all liabilities of that company. Net proceeds from this financing will be applied to the purchase price thereof, and the balance (together with funds from a proposed \$800,000 note sale) will be used to construct an addition to the company's plant which is estimated to cost \$500,000. Any remaining proceeds will be added to working capital. The company has outstanding 34,086 common shares, of which management officials own approximately 73%. Sam O. Maguire, Jr., is president.

THIRD EMPIRE FUND SEEKS ORDER. Third Empire Fund, Inc., Boston, Mass., open-end, diversified registered investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the minimum net capital requirements of Section 14(a) of the Act; and the Commission has issued an order (Release IC-4385) giving interested persons until November 23 to request a hearing thereon. The application states that the company proposes to offer 750,000 of its shares of common stock to investors in exchange for their holdings of securities of other companies listed in its prospectus.

SECOND PRESIDENTIAL EXCHANGE FUND SEEKS ORDER. Second Presidential Exchange Fund, Inc., Boston, Mass., open-end, diversified registered investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the minimum net capital requirements of Section 14(a) of the Act; and the Commission has issued an order (Release IC-4386) giving interested persons until November 23 to request a hearing thereon. According to the application, the company proposes to offer 300,000 of its common shares to investors in exchange for their holdings of securities of other companies listed in its prospectus.

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
1802 Eckert Packing Co.	Defiance, Ohio
1801 King Bros. Productions, Inc.	Hollywood, Calif.
1803 Strasa Industries**	El Cajon, Calif.

SKAGIT VALLEY TELEPHONE SEEKS EXEMPTION. Skagit Valley Telephone Company, Mt. Vernon, Wash., has applied to the SEC for an exemption from the registration requirements of Section 12(g) of the Securities Exchange Act; and the Commission has scheduled the application for hearing on November 15, 1965.

Section 12(g) requires the registration of the equity securities of many companies whose shares are traded over-the-counter. The granting of the requested exemption would also exempt Skagit from the reporting and proxy provisions of the Act, and exempt its "insiders" from the reporting provisions of the Act.

Skagit owns and operates a telephone system in Skagit County, Wash. It has outstanding 871 outstanding shares of \$5 par common (of which 766 are reserved for conversion of 383 shares of \$10 par common). Total assets amounted to \$3,222,450 on December 31. Its shares are said to be neither widely held nor widely traded - and except for Telephones, Inc., the holders are said to be owned by persons located in the rural area served by Skagit.

On December 31, 1964, Skagit had 1,346 record owners of its \$5 par stock and 310 owners of its \$10 par stock. In November 1964, Telephones, Inc., an Iowa company made an offer to purchase outstanding shares of Skagit's \$5 par common for \$300 per share; and during November and December it acquired 3,420 shares from about 731 shareholders. As of July 9, Telephones, Inc., owned 4,959 shares; and on that date Skagit had 122 holders of the \$5 par stock and 306 holders of its \$10 par stock. Skagit has had no communication with the 310 holders of its \$10 par stock since 1942; and it plans to eliminate the unknown shareholders by depositing their shares with the State of Washington Tax Commissioner pursuant to the abandoned property law of that state.

CONTINUED

ORDER NAMES LEON J. BRAUDY. The SEC announced October 27 (LR-3356) the entry of a Federal court order (USDC, SDNY) ordering Leon J. Braudy not to certify any financial statements of VTR, Inc., to be filed with the Commission, unless such statements comply with provisions of the Securities Exchange Act and set forth additional detailed information with respect to certain insider transactions whether authorized or unauthorized. Braudy consented to the entry of the order.

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.

Seilon, Inc Sept. 1965 (9,13)	1-1497-2	Shaker Properties Sept. 1965 (2,13)	0-1753-2
Sucrest Corp Sept. 1965 (4,7,13)	1-3338-2	Standard Oil Co (Indiana) Sept. 1965 (7,13)	1-170-2
Tidewater Lumber Co Inc Sept. 1965 (3)	2-19122-2	Taylor International Corp Sept. 1965 (7)	1-1069-2
Western Union Telegraph Co Sept. 1965 (4,7,13)	1-2493-2	Trailer Train Co. Sept. 1965 (7)	2-20540-2
Sierra Petroleum Co Inc Sept. 1965 (1,2,10,13)	0-1165-2	Square D Company Sept. 1965 (3)	1-2188-2
Snector Freight System, Inc Sept. 1965 (12)	1-4931-2	Standard Products Co Sept. 1965 (3)	1-2917-2
Universal Controls, Inc Sept. 1965 (3)	1-4133-2	Volt Technical Corp Sept. 1965 (12)	2-19724-2
RAC Corporation Sept. 1965 (2,3,11,12,13)	1-2654-2	Cyprus Mines Corp Sept. 1965 (13)	1-5132-2
Racine Hydraulics & Machinery Inc July 1962(7,13)	2-12770-2	Sierra Electric Corporation Sept. 1965 (8)	2-16355-2
Sept. 1962 (11)	2-12770-2	Tower Ind, Inc Sept. 1965 (1)	2-18746-2
Sept. 1963 (11)	2-12770-2	Washington Water Power Co Sept. 1965 (7)	1-3701-2
Aug. 1964 (8)	2-12770-2	The C & P Tel Co. Sept 65 (7)	2-17501
Sept. 1964 (4,7,8,11,13)	2-21770-2	Knott Hotels Corp May 65, (11,13)	1-1208
June 1965 (4,11,13)	2-21770-2	Michigan Bell Tel Co Sept 65, (7)	1-3499
Aug. 1965 (7)	2-21770-2	New England Tel & Tel Co Sept 65, (3)	1-1150
Sept. 1965 (11)	2-21770-2	Nixon-Baldwin Chemicals, Inc. July 65, (1)	0-906
Jacob Ruppert Sept. 1965 (2,13)	2-5792-2	Brite Universal, Inc. Oct 65, (12,13)	2-18612
Shamrock Oil & Gas Corp Sept. 1965 (4,7,8,13)	1-2258-2	Frontier Airlines, Inc. Sept 65, (12,13)	1-4877
Shinn Industries, Inc Sept. 1965 (7,8,13)	2-17338-2	Natco Corp Sept 65, (12)	1-2767
Texas Gulf Sulphur Co Sept. 1965 (3)	1-1065-2	City Products Corp Sept 65, (7)	1-144
U. S. Finance Co, Inc Sept. 1965 (4,7,13)	2-17252-2	Kenrich Corp Sept 65, (2,8,12,13)	0-1558
Mississippi River Transmission Corp Sept. 1965 (12,13)	2-17607-2	Management Assistance, Inc. Sept 65, (4,7,9,12,13)	2-21532
Union Oil Co of Calif Sept. 1965 (3)	1-554-2	US Steel Corp (N.J.) Sept 65, (12)	1-1583
Southeastern Public Service Co Sept. 1965 (2,7,13)	1-4351-2	Central RR Co of N.J. Sept 65, (13)	1-600
Trans-Canada Pipe Lines, Ltd Sept. 1965 (7,8)	2-12927-2	Essex Chemical Corp Sept 65, (2,8,7,13)	1-4228
The Williamhouse, Inc Sept. 1965 (12)	1-4559-2	Inter-Mountain Tel Co Sept 65, (1,3,12,13)	0-330
Panacolor, Inc Sept. 1965 (7,13)	0-536-2	Jetronic Industries, Inc. Sept 65, (1)	1-4124
Peabody Coal Co Sept. 1965 (3,7)	1-1468-2		
Santa Fe Drilling Company Sept. 1965 (7,13)	1-4827-2		

Occidental Petroleum Corp July & Aug 65, (2,7,8,13)	1-520	Apollo Industries, Inc. Sept 65, (11)	1-1677
Texas Gas Producing Co Sept 65, (11)	0-1673	Associated Grocers Inc Sept 65, (7)	2-12454
Electronic Research Associates, Inc. Sept 65, (11,13)	1-4373	Community Research & Dev. Inc Sept 65, (7,13)	0-1743
Madison Square Garden Corp Sept 65, (2,7,12,13)	1-1144	W. S. Dickey Clay Mfg. Co. Oct 65, (7,13)	0-130
New Jersey Zinc Co Sept 65, (1)	1-4901	GCA Corp Sept 65, (11)	1-4854
Norris Thermador Corp July 65, (2,13)	1-4322	Earle M. Jorgensen Co. Sept 65, (2,11,13)	1-4313
Pan American World Airways, Inc. Sept 65, (8)	1-3532	Nachman Corp Sept 65, (13)	1-1492
Ansul Co Sept 65, (10)	1-4606	Natural Gas Pipeline Co of Amer Sept 65, (11,12,13)	2-14243
Certain-Teed Products Corp Sept 65, (2,13)	1-292	Progress Mfg Co Inc Sept 65, (2,13)	1-3889
McCall Corp Sept 65, (12,13)	1-471	Commonwealth United Corp Sept 65, (2,8,13)	1-4563
United Whelan Corp Sept 65, (2)	1-2991	Dooskin Products, Inc. Sept 65, (11,13)	0-1491
Allied Chemical Corp Sept 65, (7)	1-1269	Great Southwest Corp Sept 65, (7)	0-100
American Realty & Petroleum Corp Sept 65, (11,13)	1-4702	McWood Corporation Sept 65, (11,13)	1-5122
National Western Life Ins Co Sept 65, (2,3,4,7,13)	2-17039	National Industries, Inc. Sept 65, (3)	0-790
Old Town Corp Sept 65, (6,12)	1-3601	National Tank Co Sept 65, (1,2)	0-189
Combustion Engineering, Inc. Sept 65, (2,13)	1-117	Ohio Water Service Co Sept 65, (3)	0-498
Countrywide Realty, Inc. Aug 65, (1,2,8,13)	1-4282	Associates Investment Co Sept 65, (7,13)	1-1912
ICOA Life Ins Co Sept 65, (3)	0-1701	Belock Instrument Corp Sept 65, (3)	1-3882
Macco Realty Co Sept 65, (7)	0-1011	Conchemco, Inc. Sept 65, (2,7,11,13)	2-23070
Pall Corp Sept 65, (13)	1-4311	DPA, Inc. Sept 65, (2,12,13)	2-23115
Premier Industrial Corp Sept 65, (11,13)	1-4903	Empire Life Ins Co (Calif) Sept 65, (7,9)	2-20749
Wards Co., Inc. Sept 65, (2,7)	2-23334	Gould Properties, Inc. Mar 65, (7,13)	0-249
Microwave Associates, Inc. Sept 65, (7,12,13)	1-4236	Dolly Madison Foods Inc Sept 65, (12)	0-737
Allegheny Pepsi Cola Bottling Co Sept 65, (3)	0-1053	Missouri National Life Ins Co Sept 65, (11)	2-21744
		Mohawk Electronics Corp Sept 65, (3)	2-15788
		Overnite Transportation Co Sept 65, (12,13)	1-4747
		Riviana Foods, Inc. Sept 65, (7,13)	1-4823

SECURITIES ACT REGISTRATIONS. Effective October 26: Aerosol Techniques, Inc., 2-24050 (Dec 5);

Malone & Hyde, Inc., 2-23999 (Dec 6); Revco D. S. Inc., 2-24019 (Dec 4).

Effective October 27: Career Academy, Inc., 2-24006 (Dec 6); Fairfield-Noble Corp., 2-24049 (Jan 25); Hamla Corp., 2-23053 (90 days); State Street Life Insurance Co., 2-23925 (90 days); United Mexican States, 2-24108 (40 days).

Withdrawn October 26: The Great Eastern Life Insurance Co., 2-22979.

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.