

# 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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**OTC CLEARANCE PROBLEMS DISCUSSED.** The SEC announced February 28 (Release 34-8543) that its staff had had discussions with representatives of various self-regulatory groups in the securities industry concerning procedures for clearing over-the-counter (OTC) transactions. These discussions were part of efforts to resolve the paperwork backlog problem on an interim, intermediate and long-term basis. The participants discussed the need for development of facilities for a national over-the-counter clearing system and to expand promptly existing facilities to improve clearance of OTC transactions. Participants discussed the major problems, agreed on plans to increase immediately OTC clearing operations as well as future steps to be taken leading toward ultimate establishment and conversion of existing systems to a national net clearing system.

**LASER SCIENCES TO SELL STOCK.** Laser Sciences, Inc., Wooster St., Bethel, Conn., filed a registration statement (File 2-31814) with the SEC on February 24 seeking registration of 270,000 shares of common stock. The offering is to be made through underwriters headed by Scheinman, Hochstin & Trotta Inc., 111 Broadway, New York; the offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Scheinman firm, for \$270, 7-year warrants to purchase 27,000 shares and to pay it \$30,000 for expenses.

Organized under New York law in July 1968, the company is engaged in the development, production and sale of a line of lasers varying in size, power, output and cost, and laser systems designed to meet the needs of particular customers. Of the net proceeds of its stock sale, \$240,000 will be used for the purchase of equipment, \$60,000 for leasehold improvements, and \$125,000 for the purchase of facilities currently being leased; the balance will be added to the company's working capital, to be used for corporate purposes. The company has outstanding 568,500 common shares (with an 89¢ per share book value), of which Robert H. Kreissman, treasurer, owns 18.1% and management officials as a group 34.9%. Upon completion of this offering, the purchasers of the shares being registered will own a 32.2% stock interest in the company, for which they will have paid \$1,620,000\*; the present stockholders will then own a 67.8% stock interest, for which they paid \$484,350. Marvin J. Fenton is president.

**SCIENTIFIC MEASUREMENT SYSTEMS TO SELL STOCK.** Scientific Measurement Systems, Inc., 351 New Albany Rd., Moorestown Industrial Park, Moorestown, N. J. 08057, filed a registration statement (File 2-31815) with the SEC on February 24 seeking registration of 100,000 shares of common stock. The offering is to be made through company officials (at no compensation) and possibly NASD members; the offering price (\$5 per share maximum\*) and offering terms are to be supplied by amendment.

Organized under Massachusetts law in December 1968, the company is engaged in the design, manufacture and sale of electronic measurement instruments and systems employing both digital and analog techniques. Of the net proceeds of its stock sale, \$80,000 will be used for development, prototype production and initial manufacturing of the MICA-250 automatic integrated circuit tester, \$120,000 for development, prototype production and initial manufacturing of a SAMPAC analog high-speed memory module line, and \$70,000 for development, prototype production and initial manufacturing of a MINIARC signal averaging computer; the balance will be used for working capital, research and development and general corporate purposes. The company has outstanding 500,000 common shares (with a 15¢ per share book value), of which Alexander Baker, president, owns 21.2%, Management Sciences, Inc., 24.4% and management officials as a group 91.7%. Upon sale of the 100,000 shares, the purchasers thereof will own a 16.7% stock interest in the company for which they will have paid \$500,000\*; present stockholders will then have an 83.3% stock interest in the company, for which the company will have received \$69,400 cash and certain assets having a cost basis of \$12,000.

**RYAN HOMES FILES FOR OFFERING AND SECONDARY.** Ryan Homes, Inc., 100 N. Wren Dr., Pittsburgh, Pa. 15243, filed a registration statement (File 2-31816) with the SEC on February 24 seeking registration of 84,000 shares of common stock of which 50,701 (being treasury shares) are to be offered for public sale by the company and 33,299 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Faulkner, Dawkins & Sullivan Securities Inc., 60 Broad St., New York 10004; the offering price (\$39.875 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in building single family homes. Part of the net proceeds of its stock sale will be used to pay for the 50,701 treasury shares purchased from William R. Ryan, board chairman and president, and two others; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,848,000 common shares and 400,000 Class B common shares (with a joint book value of \$6.58 per share). Ryan owns 23% of the common and all of the Class B common shares, and management officials as a group own 45% of the common shares. Ryan proposes to sell 27,199 shares of 427,199 shares held and two others the remaining shares being registered.

**MATHEWS HAIR PRODUCTS PROPOSES OFFERING.** Mathews Hair Products, Inc., 30 West 36th St., New York 10018, filed a registration statement (File 2-31817) with the SEC on February 24 seeking registration of 240,000 shares of common stock and warrants to purchase an additional 60,000 common shares, to be offered for public sale in units, each consisting of four common shares and a warrant to purchase an additional share, and at

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\$10 per unit. The offering is to be made on an "all or none basis" through Kelly, Andrews & Bradley, Inc., 111 John St., New York, which will receive a \$1 per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$300, six-year warrants to purchase 30,000 shares, exercisable after one year at \$2.75 per share.

Organized under New York law in November 1966, the company is engaged in the retail and wholesale distribution of women's hairpieces, including wigs, wiglets and falls, and products used in the care and maintenance of such goods. Of the net proceeds of its stock sale, \$120,000 will be applied to establishing new sales installations in department stores and \$80,000 to the discharge of a debt to a major supplier; the balance will be used for working capital and general corporate purposes. The company has outstanding 750,000 common shares (with a 13c per share book value), of which Herman Krissman, vice president, owns 44.3%, Samuel Meyerhoff, a director, 43% and management officials as a group 100%. Upon completion of this offering, company officials will own 75.8% of the then outstanding common stock, for which they paid \$250,000 or 33c per share; public investors will own 24.2%, for which they will have paid \$600,000 or \$2.50 per share. Larry Mathews is president.

AMERICAN BEEF PACKERS SHARES IN REGISTRATION. American Beef Packers, Inc., P.O. Box 518, Oakland, Iowa 51560, filed a registration statement (File 2-31819) with the SEC on February 24 seeking registration of 143,833 shares of common stock. Of these shares, 62,875 are issuable upon exercise of options issued and to be issued pursuant to the company's Qualified Stock Option Plan and substitute options, 49,190 are issuable upon exercise of options issued to 19 pre-incorporation subscribers of the company, 1,020 are issuable upon exercise of an option issued in part payment to the seller of land in Oakland, Iowa, purchased by the company, and 30,748 are outstanding shares held by 5 individuals and one corporation and were issued upon exercise of substitute options and upon conversion of a 7% convertible subordinated debenture, due 1968. The optionees and selling stockholders may offer such shares for public sale from time to time in the over-the-counter market at prices current at the time of sale (\$25 1/8 per share maximum\*).

The company is engaged in the operation of meat packing plants for the slaughtering and processing of beef cattle and hogs, and the sale of dressed beef and hog carcasses and other by-products. It has outstanding 1,241,009 common shares, of which Gerda M. West owns 28.55%. Frank R. West is president and board chairman. Organizers & Underwriters, Inc., proposes to sell 18,000 shares of 18,500 shares held and five others propose to sell the remaining outstanding shares being registered.

SCANTLIN ELECTRONICS TO SELL DEBENTURES. Scantlin Electronics, Inc., 2231 Barrington Ave., Los Angeles, Calif. 90064, filed a registration statement (File 2-31820) with the SEC on February 25 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1989. The debentures are to be offered for public sale through underwriters headed by New York Securities Co., 1 Whitehall St., and Loeb, Rhoades & Co., 42 Wall St., both of New York. The offering price and underwriting terms are to be supplied by amendment.

The company provides high-speed data collection, information processing and data communications services primarily through the use of various devices and systems of its own design and manufacture. Its principal source of revenue is service agreements for its Quotron Financial Information Service supplied through Quotron desk units and Quote Boards. Of the net proceeds of its debentures sale, \$2,500,000 will be used for expenditures in connection with the manufacture of an improved form of terminal device, currently under development, to be offered as part of its Quotron Financial Information Service, \$2,000,000 for additional computer equipment, \$470,000 for expenditures in connection with the relocation and expansion of computer facilities at its New York computer center and \$410,000 for expenditures in connection with the move to the new Los Angeles plant and for new plant equipment; the balance will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 2,104,376 common shares, of which Dow Jones & Company, Inc., owns 30.9% and management officials as a group 14.2%. John R. Scantlin is board chairman and J. Vance Holdam, Jr., president.

NEW DIMENSION FILMS FILES OFFERING PROPOSAL. New Dimension Films, Inc., 342 River Road, Edgewater, N.J. 07020, filed a registration statement (File 2-31821) with the SEC on February 25 seeking registration of 350,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York, which will receive a 35c per share commission plus \$17,500 for expenses. Also included in the statement are an additional 35,000 shares which have been or are to be issued and sold to the underwriter and others at 10c per share, which shares may not be resold for two years.

The company was organized in June 1967 to engage in the production of animated films through the use of new techniques and equipment for animation photography. It has produced and demonstrated a pilot film using the new techniques and equipment, but has not used such equipment to produce animated films on a commercial basis. The net proceeds of its stock sale will be used for establishing a studio, offices and acquiring production equipment more suitable than existing facilities for operating the company's business, for compensating personnel to be employed, for the payment of bank loans, and for working capital and other corporate purposes. The company now has outstanding 466,667 common shares (not including the shares issuable to the underwriters and others); these shares have an "approximate negative net tangible book value per share of \$.035 per share". Of the outstanding stock, Leonard Rubin, board chairman, and Bernard Mann, president, own 33.95% each and management officials as a group 90.70%. Purchasers of the shares being registered will acquire a 41% stock interest in the company for an investment of \$1,050,000; holders of the 501,667 shares (including those issuable to the underwriters and others) will then own 59%, of which 399,000 were issued at an average price of \$.097 per share and 102,667 in consideration of the transfer to the company of equipment designs and a patent application valued arbitrarily at \$38,670 representing an average price of \$.376 per share.

**MAGNUSON FILES OFFERING PROPOSAL.** Magnuson Corporation, 1314 First National Bank Building, Miami, Fla. 33131, filed a registration statement (File 2-31830) with the SEC on February 25 seeking registration of 199,999 shares of common stock, to be offered for public sale at \$15 per share. The offering is to be made by Lomasney & Co., 67 Broad St., New York, N. Y. 10004, which will receive a \$1.50 per share commission. The company has agreed to sell the underwriter and two others, for \$150, warrants for the purchase of an aggregate of 15,000 shares, exercisable for one year after September 1, 1970, at \$16.50 per share, and for the next year at \$18 per share. One of such other persons will receive \$7,500 each from the company and the underwriter.

Organized in June 1968, the company acquired and has continued the real estate management and sales business of Magnuson Properties, Inc. To date its principal business consists of managing and supervising the operations of Bahama Acres Limited, a Bahamian corporation which is engaged in the real estate development and sales business in the Bahama Islands. All the outstanding stock of Bahama is owned by Frank N. Magnuson, president, but is to be transferred to the company as a contribution to capital and will thereafter be operated as a wholly-owned subsidiary. Bahama's principal business is developing and selling about 7,800 acres of unimproved land in the Bahama Islands, including 7,200 acres on the island of Great Exuma; it performs limited land development, selling lots for homesite and commercial use. Of the net proceeds of its stock sale, \$200,000 will be used to repay a loan; the balance will be used to finance the initial purchase and thereafter development and sale of tracts of land in Florida, Colorado or elsewhere in the U. S. which, if purchased, will be developed and sold in a manner similar to the development and sale of Bahama's land. In addition to indebtedness, the company has outstanding 800,001 common shares (with a book value of \$6.86 per share), all owned by Magnuson. Purchasers of the shares being registered will acquire a 20% stock interest in the company for an investment of \$2,999,985; Magnuson will then own 80%, with a net book value of \$5,466,267.

**FORMIGLI TO SELL STOCK.** Formigli Corporation, 1700 Market St., Philadelphia, Pa. 19102, filed a registration statement (File 2-31831) with the SEC on February 25 seeking registration of 250,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Coenen & Co., Inc., 280 Park Ave., New York, N. Y. 10017, and Saunders, Stiver & Co., 1 Terminal Tower, Cleveland, Ohio 44113; the offering price (\$17.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged principally in the manufacture and erection of pre-cast concrete building components. With the acquisition of Keystone Structural Steel Company in November 1968, it has become engaged in the fabrication and erection of steel building components. Of the net proceeds of its stock sale, \$1,050,000 will be used to repay funds borrowed from a bank to finance the acquisition of Keystone, \$100,000 to pay certain obligations of Keystone, and \$1,000,000 to retire the 6% subordinated notes of the company issued in August 1968 to certain present stockholders; the balance will be added to working capital to finance internal growth and acquisitions. In addition to indebtedness, the company has outstanding 900,000 common shares, of which James J. Gilligan, board chairman, owns 20%, Paul W. Gleason, president, 16% and management officials as a group 72%.

**PROGRAMS AND ANALYSIS FILES FOR OFFERING AND SECONDARY.** Programs and Analysis, Inc., 486 Totten Pond Road, Waltham, Mass. 02154, filed a registration statement (File 2-31832) with the SEC on February 25 seeking registration of 100,000 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 75,000 (being outstanding shares) by the present holder thereof (Puritan Fashions Corporation). The offering is to be made through underwriters headed by Elkins, Morris, Stroud & Co., Stock Exchange Bldg., 17th & Sansom Sts., Philadelphia, Pa. 19103; the offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company and the selling stockholder have agreed to pay \$3,750 and \$11,250, respectively, to the Elkins firm for expenses. In addition, the company has agreed to sell the Elkins firm, for \$27.50, five-year warrants to purchase 2,750 shares and the selling stockholder has agreed to sell that firm, for \$82.50, similar warrants to purchase 8,250 shares.

Organized under New York law in 1964, the company commenced its present business and operations in June 1968, at which time the computer operations previously conducted by Puritan Fashions Corporation were transferred to the company. It is presently a data processing service organization whose business consists principally of the sale of conventional batch data processing services and extra computer time and key punch services. Substantially all of the net proceeds of its stock sale will be used by the company toward the purchase of a GE-430 computer time sharing system. The company has outstanding 1,000,000 common shares (with a 19¢ per share book value), of which Puritan owns 72%; Puritan proposes to sell 75,000 shares of 719,684 shares held. Carl Rosen is board chairman and Ben Blumberg president.

**TISHMAN REALTY FILES FOR SECONDARY.** Tishman Realty & Construction Co., Inc., 666 Fifth Ave., New York, N. Y. 10019, filed a registration statement (File 2-31833) with the SEC on February 25 seeking registration of 600,000 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 Kuhn, Loeb & Co., 40 Wall St., and Allen & Company Incorporated, 30 Broad St., both of New York, N. Y. 10005. The offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in developing various kinds of real estate projects; a substantial portion of its current properties are located in the metropolitan areas of New York City, Los Angeles and Chicago. In addition to indebtedness, the company has outstanding 5,078,340 common shares. David Tishman is board chairman and Robert V. Tishman is president. Alexander Tishman proposes to sell 150,000 shares of 229,809 shares held and 12 others (including Robert Tishman and other members of the Tishman family) propose to sell the remaining shares being registered.

**OHIO ENERGY SYSTEMS PROPOSES OFFERING.** Ohio Energy Systems, Inc., 1055 West Third Ave., Columbus, Ohio 43212, filed a registration statement (File 2-31835) with the SEC on February 26 seeking registration of 60,000 shares of common stock and warrants to purchase 10,000 additional shares, to be offered for public

sale in units, each unit consisting of 2,400 shares and warrants to purchase 400 shares (exercisable at \$10 per share). The units are to be offered at \$25,000 per unit through Robert W. Baird & Co., 731 North Water St., Milwaukee, Wisc. 53201. The company has agreed to issue the Baird firm five-year warrants to purchase 30,000 shares, exercisable after one year at \$10 per share.

Organized under Ohio law in January 1967, the company is engaged in the design, fabrication, erection, installation, operation and maintenance of energy systems consisting of on-site power plants and Total Energy Systems (a system providing a single primary fuel source for a building or complex of buildings). Of the net proceeds of its stock sale, \$215,000 will be used to retire short term bank loans and the remainder will be added to the company's working capital. The company has outstanding 501,681 common shares (with a negative net tangible book value of 11¢ per share), of which W. J. Weaver, Jr., board chairman and president, owns 36.5%, his wife 17.8% and management officials as a group 72.4%. Purchasers of the shares being registered will sustain an immediate dilution in book value of \$8.99 per share from the public offering price.

**RADIATION DYNAMICS FILES FOR SECONDARY.** Radiation Dynamics, Inc., 1800 Shames Drive, Westbury Industrial Park, Westbury, N. Y. 11590, filed a registration statement (File 2-31836) with the SEC on February 26 seeking registration of 18,280 outstanding shares of common stock, to be offered for public sale by Peter J. Gellert, a director, from time to time in the over-the-counter market at prices current at the time of sale (\$50 per share maximum\*).

The company is primarily engaged in the manufacture and sale of high energy particle accelerators. It has outstanding 606,773 common shares. Kennard H. Morganstern is president. Gellert proposes to sell 18,280 shares of 38,280 shares held.

**INFINETICS TO SELL STOCK.** Infinetics, Inc., 1601 Jessup St., Wilmington, Delaware, 19802, filed a registration statement (File 2-31837) with the SEC on February 26 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an agency basis by Jay W. Kaufmann Co., 111 Broadway, New York, N. Y. 10006, which will receive a 50¢ per share commission plus \$5,000 for expenses. Upon the sale of at least 60,000 shares, the company has agreed to sell the underwriter, on the basis of one warrant for each 12 shares sold and at one mill per warrant, five-year warrants, exercisable after one year at \$5 per share.

The company is presently engaged in the design, manufacture and sale, under the trade name "Bobbin Cores by Authomation," of bobbin supported magnetic cores, manufactured to meet the requirements of individual customers. Of the net proceeds of its stock sale, \$100,000 will be used for expansion of marketing and sales activities, and the balance will be added to working capital and used for general corporate purpose. The company has outstanding 148,800 common shares, of which Malcolm M. Schwartz, president, owns 13.7%, Murray M. Schwartz, secretary, 18%, Przywara Motor Co. 20.8%, and management officials as a group 46.4%. Assuming sale of the 125,000 shares offered, the purchasers thereof will have acquired a 46% stock interest in the company for an investment of \$625,000 or \$5 per share; present stockholders will then have a 54% stock interest in exchange for their payment in cash or otherwise of \$103,159, or 69¢ per share.

**PITTSBURGH NATIONAL SHARES IN REGISTRATION.** Pittsburgh National Corporation, One Oliver Plaza, Pittsburgh Pa. 15222, filed a registration statement (File 2-31841) with the SEC on February 26 seeking registration of 239,635 shares of common stock. On October 6, 1968, the Pittsburgh National Bank ("PNB") caused the company to be organized; and on November 7 the company caused a new bank to be organized under the name "New National Bank." In March, upon the consummation of a merger of PNB with and into the New National Bank, the company will issue 3,059,700 shares of its common stock to shareholders of PNB (on a share-for-share basis). Of the 239,635 shares being registered, 199,261 are to be issued, upon consummation of the merger, to certain shareholders of PNB; they are being registered in order to permit those shareholders to dispose of such shares from time to time as they see fit (at \$70.50 per share maximum\*). Up to 12,884 shares may be sold at public auction after consummation of the merger for purposes related to the "appraisal" rights of dissenting shareholders. The remaining shares are issuable under PNB's incentive stock option plan.

**OVERSEAS NATIONAL AIRWAYS FILES FOR OFFERING AND SECONDARY.** Overseas National Airways, Inc., 147-17 175th St., Jamaica, N. Y. 11434, filed a registration statement (File 2-31842) with the SEC on February 26 seeking registration of 499,900 shares of common stock, of which 400,000 are to be offered for public sale by the company and 99,900 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by G. H. Walker & Co., Inc., 45 Wall St., New York, N. Y. 10005; the offering price (\$45 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company operates commercial passenger charter flights between and among the fifty United States and certain international areas. Net proceeds of its sale of additional stock will be used for the acquisition of aircraft as well as for the purchase of a cruise ship and the construction of a hotel complex at Cable Beach, Nassau, Bahama Islands. In addition to indebtedness, the company has outstanding 1,939,230 common shares, of which management officials as a group own (directly or indirectly) 55.8%. Louis Marx, Jr., is board chairman and G. F. Steedman Hinckley president and chief executive officer. Charles C. Hickox proposes to sell all of his holdings of 45,000 shares; nine others (including certain management officials) will sell the balance of the shares being registered.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock option and related plans:

- Air Industries Corporation, Garden Grove, Calif. 92641 (File 2-31806) - 75,000 shares
- Computer Applications Incorporated, New York, N. Y. 10022 (File 2-31812) - 233,970 shares
- J. C. Penney Company, Inc., New York, N. Y. 10019 (File 2-31818) - 39,587 shares
- Serendipity, Inc., Sherman Oaks, Calif. 91403 (File 2-31822) - 29,128 shares
- Houston Natural Gas Corporation, Houston, Tex. 77002 (File 2-31829) - 1,230 shares
- Filmways, Inc., New York, N. Y. 10022 (File 2-31834) - 147,264 shares

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**JURGENSEN'S FILES FOR OFFERING AND SECONDARY.** Jurgensen's, 601 S. Lake Ave., Pasadena, Calif. 91109, filed a registration statement (File 2-31823) with the SEC on February 25 seeking registration of \$1,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale by the company, and 83,423 shares of common stock, of which 33,423 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offerings are to be made through underwriters headed by Dean Witter & Co., Inc., 45 Montgomery St., San Francisco, Calif.; the interest rate on the debentures, offering prices (\$11 per common share maximum\*) and underwriting terms are to be supplied by amendment.

The company operates a chain of "premium quality," retail food and beverage stores which offer its customers personalized in-store service, home delivery and personal charge accounts. Net proceeds of its sale of debentures and shares will be used (in the amount of \$850,000) to reduce long-term bank loans; also, to retire a \$51,686 note and for working capital. In addition to indebtedness and preferred stock, the company now has outstanding 391,577 common shares, of which Harold S. Jurgensen, board chairman, owns 29.7%, Earl R. Dow, president, 12.4%, John H. Jurgensen, Jr., vice president, 11.5%, and management officials as a group 61.7%. The three named officers propose to sell 10,000 shares each and two others the remaining 20,000 shares being registered.

**BALLY MANUFACTURING OFFERING SUSPENDED.** The SEC today announced a decision under the Securities Act suspending a registration statement pursuant to which Bally Manufacturing Corporation, of Chicago, proposed the public offering of 75,000 shares of common stock, and certain selling stockholders an additional 200,000 outstanding. The suspension will terminate after five business days, or at the close of business March 7, 1969.

Bally was organized in March 1968 to engage in the manufacture and sale of coin operated amusement and gaming devices, principally pin-ball machines and slot machines. The stop order suspending effectiveness of its registration statement was based upon the company's failure to disclose material circumstances relating to the company's indebtedness, transactions involving principal shareholders, and the age of accounts receivable. Bally submitted an order of settlement in which, solely for the purpose of these proceedings, it conceded the deficiencies in its statement and consented to the five-day suspension. The company's prospectus reflected bank loans of \$961,000 for working capital purposes, to be retired through use of part of the proceeds of the offering of additional shares by the company; but the prospectus failed to disclose that the two promissory notes representing such bank indebtedness were personally endorsed by Sam W. Klein, William T. O'Donnell, Irving Kaye and Abe Green, the principal and selling stockholders of the company. There also was a failure to disclose, among other things, that \$425,000 of the funds realized from one of the loans (in the amount of \$561,000) had not been used to provide working capital funds but rather to finance various acquisitions from and by certain shareholders.

In the company's prospectus, reference was made to the purchase by O'Donnell (president) of all the stock interest in Currency Gaming Devices, Inc., the company's distributor for the northern section of Nevada and his resale of 70% of such interest, but there was a failure to disclose that O'Donnell had borrowed a total of \$123,600 from the company for the purchase of this stock and that upon his resale of the 70% interest, the purchaser thereof assumed the \$60,000 obligation to the company. Moreover, there was a failure to disclose three loans to the company aggregating \$350,000 by Klein, O'Donnell and one other, to discharge a bank loan, and that three principal stockholders had borrowed funds from the company to purchase another's stock interest in the company.

With respect to the company's accounts receivable, which listed the bulk of receivables under the caption "current" there was a failure to reflect clearly the fact that, under credit terms enjoyed by certain of the company's customers, accounts designated "current" may include amounts due for merchandise shipped up to six months previously.

**CONSUMER-INVESTOR PLANNING DECISION FILED.** The SEC has issued definitive findings (Release 34-8542) supporting its Order of October 31, 1968 (Release 34-8439) in administrative proceedings under the Securities Exchange Act involving the broker-dealer firm of Consumer-Investors Planning Corporation ("CIPCO") of St. Louis, Conrad V. Schmitt, and William J. Erickson. That Order, pursuant to offers of settlement accepted by the Commission, found that respondents' activities violated anti-fraud and other provisions of the Federal securities laws. It suspended CIPCO's broker-dealer registration and directed the disassociation of Schmitt from any broker-dealer for 45 days, subject to terms and conditions specified in the offers. The Order further accepted the consent and undertaking of Erickson to resign all positions with CIPCO and with Consumer Financial Corporation ("CFC"), which owns all of CIPCO's outstanding stock, and not to engage further in the securities business or become associated with a broker-dealer or investment adviser without the prior approval of the Commission. Erickson was president, board chairman and a director of CIPCO and CFC, at one time or another, and Schmitt at various times was a director of CIPCO and president, a director and stockholder of CFC.

The proceedings involved principally allegations that CIPCO, which acts as investment adviser, manager and principal underwriter of Associated Fund Trust, a St. Louis mutual fund, together with the two individual respondents, engaged in "give-up" practices and obtained other compensation from broker-dealers selected by them to execute portfolio transactions for the Fund. Respondents admitted the allegations solely for the purpose of these proceedings. The Commission concluded that respondents had engaged in a scheme to defraud and in a practice which operated or would operate as a fraud and deceit upon the Fund's shareholders. As stated in the opinion, "It is clear that CIPCO, Schmitt and Erickson sought out and placed the purchase and sale of the Fund's portfolio securities with those brokers who would pay over to them the largest extractable portions of the brokerage commissions thus generated and the most substantial other benefits. The payments and benefits received by them did not represent compensation for any services rendered to or benefits conferred upon the Fund, but rather constituted a form of personal enrichment derived from the Fund's portfolio transactions, by such blatant trafficking of the Fund's business, respondents simply used their fiduciary positions in relation to the Fund to cause monetary and other benefits to inure to themselves without

regard to what was best for the Fund. For their personal benefit respondents committed themselves and the Fund to relationships that did not permit them to retain the freedom of judgment and action that as managers they owed to the Fund. The abuse of position and conflict of interest inherent in the making of these arrangements were clearly inimical to the Fund and its shareholders."

**MILL FACTORS TRADING SUSPENSION TO END.** The SEC today announced that it had ordered the suspension of trading in securities of Mill Factors Corporation, of New York City, for the six-day period March 4-9, 1969. The trading ban will not be continued beyond March 9; accordingly, over-the-counter trading in the securities may resume on March 10. The American Stock Exchange has advised that it will not authorize the resumption of trading in the Mill Factors common pending further review of the company's financial status.

In announcing that over-the-counter trading may resume on March 10, the Commission cautioned that present holders and prospective purchasers of Mill Factors common stock, in connection with any future transactions in such securities, should consider carefully the information related herein. Moreover, broker-dealer firms should be mindful of their responsibilities for full disclosure of all material facts in connection with the execution of transactions in Mill Factors common stock for their customers.

The trading suspension was ordered by the Commission on February 12 following an announcement by the company that uncovered losses in its Commercial Financing Division would wipe out previously-reported earnings and result in a deficit in earnings. The Commission's determination to permit the resumption of trading followed a more recent announcement by the company concerning a preliminary report from its accountants relating to a special loan review of the said Division which indicated "that the liquidation value of collateral securing approximately \$43,000,000 of its outstanding commercial finance loan balances is less than \$12,000,000. . ." Accordingly to the company's management, ". . . the write-offs and reserves relating to that Division could approximate more than \$35,000,000. In its Annual Report for the year ended December 31, 1967, Mill Factors reported total stockholders' equity of \$10,864,568." For further details, see Release 34-8545.

**TOP NOTCH URANIUM SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Top Notch Uranium and Mining Corporation for the further ten-day period March 4-13, 1969, inclusive.

**DENTEX PETROLEUM, OTHERS ENJOINED.** The SEC Denver Regional Office announced February 17 (LR-4241) that the U. S. District Court in Denver had permanently enjoined violations of the Securities Act registration requirements by Dentex Petroleum, Inc., Delta Petroleum, Inc., Wyneco Oil and Gas Corporation, all Colorado corporations, and Clifford Alton Kniffin, of Englewood, Colo., in the offer and sale of oil interests of Dentex, Delta and Wyneco.

**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
3412	American Agronomics Corp **	Miami, Fla.
3326	Anixter Bors Inc **	Evanston, Ill.
3417	Cencor Inc	K.C., Mo.
3429	Civic Enterprises Inc	Milwaukee, Wisc.
3327	Diamond Laboratories Co	Des Moines, Iowa
3323	GFI-Computer Industries Inc **	Tucson, Ariz.
3331	Eanco Inc **	Hatboro, Pa.
3322	Pony Village Investment Co	North Bend, Ore.
3324	Topsy's International **	K.C., Mo.
3409	Vandervoort's Inc**	St. Louis, Mo.
3335	Westminster Corp **	Westminster, Md.

**SECURITIES ACT REGISTRATIONS.** Effective February 28: Airlift International, Inc., 2-31058 (40 days); Banco Nacional De Obras Y Servicios Publicos, S. A., 2-30840 (90 days); Cavitron Corp., 2-31665; Harris-Intertype Corp., 2-31740; Infotronics Corp., 2-30758; Marina America Inc., 2-29068 (90 days); Merchants Bancorp, Inc., 2-31158 (90 days); University Bancorp, Inc., 2-31157 (90 days).  
**Withdrawn February 27:** Harbor Acres, Inc., 2-31153; Trailer Host of America, Inc., 2-26794.

**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.