

# 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 November 20, 1969

**FIRST DYNA RAY OFFERING PROPOSAL SUSPENDED.** The SEC today announced a decision under the Securities Act (Release 33-5023) suspending a registration statement filed by First Dyna Ray Exploration Fund - 1969, of Denver, for failure to comply with the disclosure requirements of that Act. The Fund's registration statement, filed in December 1968, proposed the public offering, at \$10,000 per unit, of 1,000 units of limited partnership interests. According to the Commission's decision, the registration statement recited that the limited partnership interests would be exchangeable in the future for stock of Dyna Ray Corporation, a company which was the parent of the general partner of the Fund; but the registration statement failed to disclose material facts regarding such company's history, business and control. The Fund consented to the suspension order.

**THREE G OIL, OTHERS ENJOINED.** The SEC today announced (LR-4476) that Three G Oil, Inc., Three G Oil Company, Albert J. Gebert, A. J. Gebert and J. D. Gebert have consented to issuance by a Federal court in Kansas of an order enjoining violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of oil and gas participation interests.

**RISHMAWY ENJOINED.** The SEC Denver Regional Office announced November 17 (LR-4477) that the U. S. District Court in Denver entered an order of preliminary injunction, by default, against Fawad Salomon Rishmawy, enjoining violations of the registration and anti-fraud provisions of the Federal securities laws in the offer, sale and purchase of securities of American Commercial Trade Organization, or the notes of Ione Rishmawy.

**BORG-WARNER OVERSEAS CAPITAL CORP. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5887) exempting Borg-Warner Overseas Capital Corporation ("Capital Corporation"), Chicago, from all provisions of the Act. Capital Corporation is a wholly-owned subsidiary of Borg-Warner Corporation; it was formed by Borg-Warner for the purpose of making investments, including loans, in connection with various international operations of Borg-Warner and its subsidiaries outside the United States.

**TRW INTERNATIONAL FINANCE CORP. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5888) exempting TRW International Finance Corporation ("Finance Corp."), Cleveland, from all provisions of the Act. The company was organized in January 1968 as a wholly-owned subsidiary of TRW Inc. to finance the foreign business operations of TRW Inc. through the sale of Finance Corp.'s securities, including borrowings, outside the United States.

**MASS. MUTUAL FUND RECEIVES ORDER.** The SEC has issued an order granting an exemption from various provisions of the Investment Company Act (Release IC-5890) with respect to the proposed operations of Massachusetts Mutual Variable Annuity Fund I. The Fund was established by Massachusetts Mutual Life Insurance Company as a separate account to offer variable annuity contracts.

**UNLISTED TRADING GRANTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-8757) granting applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Boston Stock Exchange - Electronic Memories & Magnetics Corporation - Common Stock and \$1 Cumulative Convertible Preferred Stock (\$1 par)

Midwest Stock Exchange - Amerada Hess Corporation, Rohr Corporation

Pacific Coast Stock Exchange - General Public Utilities Corporation

Philadelphia-Baltimore-Washington Stock Exchange - Leasco Data Processing Equipment Corporation - \$2.20 Series B Convertible Preferred Stock (\$1 par) and 1978 Warrants, University Computing Co.

**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 plans:

Interstate United Corporation, Chicago, Ill. 60606 (File 2-35364) - 50,000 shares

Victor Equipment Company, San Francisco, Calif. 94104 (File 2-35367) - 150,000 shares

Blasius Industries, Inc., New York 10019 (File 2-35373) - 100,000 shares

Lincoln First Banks Inc., Rochester, N. Y. 14603 (File 2-35379) - 5,198 common and 19,310 \$1.05 cumulative convertible preferred stock (\$4.50 par)

American Building Maintenance Industries, San Francisco, Calif. 94102 (File 2-35383) - 100,000 shares

Parker-Hannifin Corporation, Cleveland, Ohio 44112 (File 2-35384) - 25,000 shares

Rex Chainbelt Inc., Milwaukee, Wis. 53202 (File 2-35389) - 152,411 common and 2,411 preferred (\$2.36 convertible, Series B) shares

Sternco Industries, Inc., Harrison, N. J. 07029 (File 2-35390) - 148,624 shares

OVER

**DEFLECTA-SHIELD TO SELL STOCK.** Deflecta-Shield Corp., 314 E. Jefferson, Corydon, Iowa 50060, filed a registration statement (File 2-35366) with the SEC on November 17 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made through underwriters headed by O & U Securities Company, 4403 1st Ave. S. E., P. O. Box 1488, Cedar Rapids, Iowa 52406, which will receive a 75¢ per share commission. The company has agreed to sell Organizers & Underwriters, Inc., the sole stockholder of O&U Securities, \$45,000 of 6% convertible subordinated notes, due 1974.

The company is engaged in the production of an automobile accessory called the "Deflecta-Shield," which is designed to attach to the hood of an automobile and deflect objects such as bugs, snow and rock chips from the windshield. Of the net proceeds of its stock sale, \$625,000 will be used for the purchase of a patent, \$525,000 for construction of additional plant facilities, including equipment and inventory, and \$150,000 will be added to the company's working capital. In addition to indebtedness, the company has outstanding 90,500 common shares, of which Floyd G. Van Auken, president, and Argyle K. Thornburgh, board chairman, own 19.448% each and management officials as a group 81%.

**CAL-STATE AIR LINES FILES RESCISSION OFFER.** Cal-State Air Lines, Inc., 4399 Donald Douglas Drive, Long Beach, Calif. 90808, filed a registration statement (File 2-35368) with the SEC on November 17 seeking registration of \$290,000 of outstanding 10-year subordinated debenture notes, \$500,000 of outstanding 8-year subordinated debenture notes and 545,000 outstanding shares of common stock. These securities were sold pursuant to California law between November 1, 1968, and December 23, 1968, but were not registered under the Securities Act of 1933. In July, the company learned that some of its 32 shareholders had purchased shares and debenture notes for the beneficial interest of 76 others without disclosing their names or interests to the company and, accordingly, the offering may have violated Section 5 of the Act. It is proposed to offer holders of such securities the right to rescind their purchase and to receive upon tender of such securities the consideration paid therefor plus 7% interest, less the amount of any interest previously received on the debenture notes. Following completion of this rescission offer, the company expects to issue 200,000 shares of common stock and \$1,500,000 of 7½% convertible subordinated debentures, due 1990, in an underwritten public offering (see below).

**CAL-STATE AIR LINES PROPOSES OFFERING.** In a separate registration statement (File 2-35377), Cal-State Air Lines, Inc., seeks registration of \$1,500,000 of 7½% convertible subordinated debentures, due 1990, and 200,000 shares of common stock. The debentures are to be offered for public sale at 100% of principal amount and the common stock at \$12.50 per share; the offering is to be made through underwriters headed by Suplee, Mosley, Close & Kerner, 1500 Walnut St., Philadelphia, Pa. 19102, which will receive an 8% underwriting discount on the debentures plus \$7,500 for expenses and a \$1.125 per share underwriting discount plus \$12,500 for expenses. The company has agreed to sell the Suplee firm, for \$1,250, five-year warrants to purchase 25,000 shares, exercisable after one year at \$13.50 per share.

The company is a scheduled interstate local service commercial airline certificated by FAA and registered with the CAB. It provides regularly scheduled intercity service among 11 California cities and their surrounding areas and Las Vegas. Of the net proceeds of its financing, \$1,219,000 will be used as security deposits on 10 Handley-Page Jetstream and one Cessna 402 aircraft, \$450,000 for start-up costs for placing in operation the 10 Jetstreams and purchase of related spare parts inventory and ground support equipment and \$335,000 for satisfaction of short-term loan obligations; the balance will be added to the company's working capital and used for general corporate expenses. In addition to indebtedness, the company has outstanding 702,000 common shares (with a \$1.25 per share negative book value), of which George C. Parker, board chairman, owns 22.7% and management officials as a group 42.2%. Purchasers of the shares being registered will acquire a 22.3% stock interest in the company for their investment of \$2,500,000 (they will sustain an immediate dilution of \$10.87 in per share book value from the offering price); the present shareholders will then own 77.7%, for which they paid \$1,182,950 (in addition, most of these stockholders paid an aggregate of \$790,000 for an equal principal amount of subordinated debentures).

**GIBRALTAR FINANCIAL PROPOSES EXCHANGE OFFER.** Gibraltar Financial Corporation of California, 9111 Wilshire Blvd., Beverly Hills, Calif. 90213, filed a registration statement (File 2-35369) with the SEC on November 17 seeking registration of 72,739 shares of capital stock. It is proposed to offer these shares in exchange for shares of guarantee stock of Shasta Savings and Loan Association, at the rate of 1.3 shares for each Shasta Savings share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 96.5% of Shasta Savings' outstanding shares.

A savings and loan holding company, Gibraltar Financial also acts as an insurance agent, principally for fire and extended coverage property insurance and mortgage life insurance, and subsidiaries serve as an escrow agent in real estate transactions and as trustee under deeds of trust. In addition to indebtedness, it has outstanding 2,384,774 shares of capital stock, of which management officials as a group own 11%. Herbert J. Young is board chairman and president and Sydney R. Barlow vice chairman.

**BARNETT BANKS OF FLA. PROPOSES EXCHANGE OFFER.** Barnett Banks of Florida, Inc. ("Barnett"), 100 Laura St., Jacksonville, Fla. 32202, filed a registration statement (File 2-35370) with the SEC on November 17 seeking registration of 537,262 shares of common stock. Of these shares, it is proposed to offer 234,900 shares in exchange for all the outstanding shares of capital stock of the following banks ("Offeree Banks"), at the rate of 5.80 Barnett shares for each Tropical Bank and Trust Company shares; 1.50 Barnett shares for each Bank of Osceola share; and 1.33 Barnett shares for each American Bank in Auburndale share. It is proposed to offer the remaining 302,362 shares in exchange for all the outstanding shares of capital stock (which are not owned by Barnett) of the following banks ("Affiliate Offeree Banks"), at the rate of 3 Barnett shares for each Barnett First National Bank of Cocoa share; 9 Barnett shares for each Murray Hill Barnett Bank share; 8.5 Barnett shares for each Barnett First National Bank of DeLand share; 3 Barnett shares for each St. Augustine National Bank share; and 3 Barnett shares for each San Jose Barnett Bank share.

Barnett is engaged as a bank holding company in the business of owning and managing 15 constituent banks which are engaged in the general commercial banking business in Florida. In addition to indebtedness, it has outstanding 3,369,368 common shares, of which Consolidated Financial Corporation owns 13.1%. Guy W. Botts is president.

**BIOMEDICAL RESOURCES TO SELL STOCK.** Biomedical Resources Corporation, 375 Park Ave., New York 10022, filed a registration statement (File 2-35371) with the SEC on November 17 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., New York. The offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized in November 1968, the company through subsidiaries provides clinical laboratory testing services for physicians, hospitals, clinics, convalescent homes and governmental and other organizations, to aid physicians and other licensed practitioners in medical diagnoses and the treatment of patients. Of the net proceeds of its stock sale, \$1,582,500 (including prepayment of \$100,000 of long term debt) will be used for payment of substantially all indebtedness incurred in connection with the acquisitions of four companies, \$504,837 for payment of current maturities of long term debt (incurred primarily in connection with other acquisitions) as it matures and \$87,025 for payment of other current indebtedness as it matures; the balance will be added to the company's general funds and used for general corporate purposes, including possible acquisitions. In addition to indebtedness, the company has outstanding 1,125,651 common shares (with a negative net tangible book value of \$3.21 per share), of which Greylock & Co. and J. H. Whitney & Co. own 21.5% each, Malcolm J. Rowe, president, 12.1% and management officials as a group 72.1%. Purchasers of the shares being registered will acquire a 22% stock interest in the company for their investment of \$6,250,000\*; founders, certain officers and employees will then own 54%, for which they paid \$1,086,914, or \$1.78 per share.

**RDR ASSOCIATES FILES FOR OFFERING AND SECONDARY.** RDR Associates, Inc., 1345 Avenue of the Americas, New York 10019, filed a registration statement (File 2-35372) with the SEC on November 17 seeking registration of 400,000 shares of common stock, of which 350,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by H. L. Federman & Co. Inc., 50 Broadway, New York 10004; the offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Federman firm \$15,000 for expenses and has sold it, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at the offering price. In June, the Federman firm and its designee received \$20,000 and purchased 13,333 shares at 10¢ per share in connection with the sale of \$400,000 of convertible debentures of the company.

The company is engaged, through a subsidiary, principally in the business of providing television and radio advertising spot time buying service for advertising agencies and their clients. Of the net proceeds of its sale of additional stock, \$1,000,000 will be used to establish up to five branch offices in major cities for rendering time buying services, \$354,167 to complete the purchase and expand the usage of a computer programming system designed to analyze the availability, cost and utilization of advertising spot time, \$100,000 for leasehold improvements and furnishings for its New York City headquarters and \$38,500 to repay a loan to RDR Sign Corporation, stock of which is owned by the company's principal stockholders; the balance will be added to the company's general funds and used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 966,299 common shares (with a 37¢ per share net tangible book value), of which Samuel Wyman, president, owns 39% and management officials as a group 89%. Purchasers of the shares being registered will acquire a 30 4% stock interest in the company for their investment of \$2,400,000\*; the present shareholders will then own 69.6%, for which they will have paid \$74,979 plus property and services having an aggregate value of \$24,670, or 11¢ per share. Wyman proposes to sell 50,000 shares of 380,989 shares held.

**GEORGIA-PACIFIC TO SELL DEBENTURES.** Georgia Pacific Corporation, Commonwealth Building, Portland, Ore. 97204, filed a registration statement (File 2-35374) with the SEC on November 17 seeking registration of \$75,000,000 of convertible subordinated debentures, due 1994, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a fully integrated manufacturer and distributor of a wide range of forest products. Net proceeds of the sale of debentures will be used to finance, in part, its 1970 capital expenditure program, estimated at \$160 million, and for working capital and general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 44,783,767 common shares. Robert B. Pamplin is board chairman and president.

**ELECTRO-CATHETER TO SELL STOCK.** Electro-Catheter Corporation, 249 Wescott Drive, Rahway, N. J. 07065, filed a registration statement (File 2-35375) with the SEC on November 17 seeking registration of 100,000 shares of common stock, to be offered for public sale through Weis, Voisin, Cannon, Inc., 111 Broadway, New York. The offering price (\$7.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to allow the underwriter a 60¢ per share underwriting discount plus \$20,000 for expenses and to sell the underwriter, for \$100, six-year warrants to purchase 10,000 shares.

The company is engaged in the development, manufacture and sale of catheters and related products used in the treatment and diagnosis of cardiovascular disorders. Of the net proceeds of its stock sale, \$300,000 will be allocated to the development of electronic devices and accessories, \$100,000 for research and development and \$150,000 to purchase additional equipment; the balance will be added to the company's working capital and will be available for general corporate purposes. The company has outstanding 412,469 common shares (with a 49¢ per share book value), of which Joseph Grayzel, a director, owns 10.5%, Sanford Schwartzman (a director) and family 10.9% and the Weis firm 9.5%. Robert I. Bernstein is board chairman and Bernard Ackerman president.

**TENNECO TO SELL DEBENTURES.** Tenneco Corporation, Wilmington Trust Bldg., Wilmington, Del. 19899, filed a registration statement (File 2-35360) with the SEC on November 14 seeking registration of \$75,000,000 of debentures, due 1975, to be offered for public sale through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., New York, and three other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries in oil and gas, chemicals, packaging, land use and development, manufacturing and other businesses. Substantially all of the net proceeds of its debenture sale will be applied to payment of short-term notes outstanding under its credit agreement. Proceeds of such notes were used by the company for the expansion of the operations of its subsidiaries. In addition to indebtedness and preferred stock, the company has outstanding 12,000,000 common shares, of which Tenneco Inc. owns 81%. N. W. Freeman is board chairman and J. E. Ivins president.

**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 "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the November 12 News Digest.

8K Reports for Aug 69

Fed-Mart Corp(7,8,13) 1-5856-2

Conrad Precision Ind., Inc  
(11) 2-32217-2  
Stewart Warner Corp  
(13) 1-212-2

DPA, Inc (March 1969)  
( 4,12,13) 1-5972-2

The Educator & Executive Co  
(Sept. 1969  
(13) 0-1161-2

Kearney Natl., Inc  
Sept. 1969(3) 0-2122-2

Platronics Inc  
Amdt. #1 to 8K for Aug.  
1969(7) 0-3425-2

**SECURITIES ACT REGISTRATIONS.** Effective November 19: Basic Food Industries, Inc., 2-34205 (90 days); Borg-Warner Corp., 2-35213; Caribbean Leisurewear Inc., 2-34040 (90 days); Comprehensive Designers, Inc., 2-34724 (40 days); Data General Corp., 2-34320 (90 days); Delta Funds, Inc., 2-33295 (90 days); Exchange Oil & Gas Corp., 2-34029 (90 days); Koger Properties, Inc., 2-33797; Liberty Loan Corp., 2-35141 (40 days); Maci Growth Fund, Inc., 2-33753; Madison Industries, Inc., 2-33637 (Feb 17); Mass. Mutual Variable Annuity Fund I, 2-30696; Municipal Investment Trust Fund, Series S, 2-35059; Phoenix Steel Corp., 2-35157 (40 days); Potter Instrument Co., Inc., 2-35225 (40 days); Seatrain Lines, Inc., 2-35241.  
Withdrawn November 19: Modern Talking Picture Service Inc., 2-32199; Paramedical Programs Inc., 2-33525.

**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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