

# 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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SEC

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FOR RELEASE September 27, 1967

**ACCOUNTANT'S RESIGNATION ACCEPTED.** The SEC today announced its acceptance of the resignation of Edwin Aronowitz, an accountant of Silver Spring, Md., from appearance and practice before the Commission as an accountant. The action was taken on the basis of information furnished the Commission which indicated that there may have been a lack of adherence by Aronowitz to generally accepted auditing standards and the Commission's minimum audit requirements, in connection with his preparation and submission to the Commission of certain broker-dealer financial statements required by Rule 17a-5 under the Securities Exchange Act of 1934. Aronowitz tendered his resignation, agreeing that he will not appear or practice before the Commission in the future. The Commission concluded that its acceptance of his resignation was appropriate in the public interest.

**SEC ORDER CITES HARRY B. SCHLOSSER.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Harry B. Schlosser, doing business as American Church Securities Company, of 1716 Bathgate, North Madison, Ohio. Until recently, Schlosser's business address was 50 W. Main Street, Madison, Ohio.

The proceedings are based upon staff charges that Schlosser, who became registered with the Commission as a broker-dealer in April 1965, engaged in various activities violative of the provisions of the Federal securities laws, including the offer and sale of securities of the Assembly Homes of Ohio, Inc., an Ohio not-for-profit corporation, in violation of the fraud prohibitions of those laws.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondent an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature should be ordered.

**TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of North American Research & Development Corp., for the further ten-day period September 28 through October 7, 1967, inclusive.

**PACIFIC FLEET LEASING FILES EXCHANGE PLAN.** Pacific Fleet Leasing Corp., 1818 Westlake North, Seattle, Wash. 98109, filed a registration statement (File 2-27325) with the SEC on September 25 seeking registration of 422,768 shares of common stock. The company proposes to offer these shares to stockholders of Pan-Alaska Fisheries, Inc. at the rate of three-fourths of a share of company stock for each share of Pan-Alaska common (or each right to acquire one share of Pan-Alaska stock) held of record on September 30, 1967. Robert L. Ferman & Co., Inc., 7630 Biscayne Blvd., Suite 102, Miami, Fla. 33138 is listed as the principal underwriter. The subscription price to Pan-Alaska stockholders is \$1.50 per share; the price to the public through underwriters is \$2.50 per share. The underwriters have made a firm commitment to purchase up to 166,000 of unsubscribed shares at the public offering price; they will receive a 15¢ per share commission on all shares purchased upon exercise of subscription warrants, and 25¢ per share on unsubscribed shares. The company has agreed to pay to the underwriter up to \$23,000 for expenses; it has also agreed to sell to Robert L. Ferman & Co. Investments Inc., a wholly-owned subsidiary of the underwriter, 37,997 common stock purchase warrants, at 1¢ per warrant.

The company was organized under Nevada law in April 1966, as a subsidiary of Pan-Alaska, to purchase fishing vessels for its own use and for lease to others and has not commenced operations. In addition to indebtedness, it has outstanding 115,600 common shares. Net proceeds of the offering will be applied to the purchase of three fishing vessels, including all equipment; the balance will be applied to general working capital purposes. Robert L. Ferman is board chairman and Ronald R. Jensen is president.

**WORLDWIDE ENERGY FILES FOR SECONDARY.** Worldwide Energy Company, Ltd., Suite 404, 309 Eighth Ave. S.W., Calgary, Alberta, Canada, filed a registration statement (File 2-27328) with the SEC on September 25 seeking registration of 910,000 outstanding shares of common stock, being part of 1,461,200 shares (56%) owned by its parent, Consolidated Oil & Gas, Inc. Consolidated proposes to offer the shares for subscription by holders of its common stock on the basis of one share of Worldwide Energy stock for each four Consolidated shares held. The record date and offering price (\$2.75 per share maximum\*) are to be supplied by amendment.

The company is primarily a pipe line company engaged in the transmission of natural gas from gas fields owned by it and other producers in a Canadian military installation at Cold Lake, Alberta, Canada. It recently began the acquisition of undeveloped leases and exploration for oil and gas thereon. In addition to indebtedness, it has outstanding 2,597,978 common shares; as indicated, Consolidated owns 56%. Harry A. Trueblood, Jr. is board chairman and Robert B. Tenison is president.

**NYTRONICS PROPOSES DEBENTURE OFFERING.** Nytronics, Inc., Third Ave., Alpha, N. J. 08866, filed a registration statement (File 2-27329) with the SEC on September 25 seeking registration of \$7,500,000 of 6% convertible subordinated debentures, due 1982. The debentures are to be offered for public sale through underwriters headed by Sterling, Grace & Co., Inc., 39 Broadway, New York, which will receive a 7% selling commission. The company has agreed to issue to the underwriter upon completion of the offering, 23,000 five-year stock purchase warrants, exercisable at \$30.00 per share.

OVER

The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missile control systems, computers, servos, commercial radio and television, data handling, navigational and industrial control equipment. In addition, it is engaged in the development, design, production and sale of computer data terminal equipment and high fidelity speakers and speaker systems. Net proceeds of its debenture sale will be added to general funds and used to meet increased working capital requirements. In addition to indebtedness, the company has outstanding 777,601 capital shares, of which management officials own 10.38%. Bernard M. Goldsmith is board chairman and Martin E. Zernick is president.

**PUBLISHERS CO. FILES FOR OFFERING AND SECONDARY.** Publishers Company, Inc., 1250 Connecticut Ave., N.W., Washington, D. C. 20036, filed a registration statement (File 2-27333) with the SEC on September 25 seeking registration of 348,259 shares of common stock. Of this stock, 275,000 shares are to be offered for public sale by the company and 73,259 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Adams & Peck, 120 Broadway, New York 10005; the public offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the printing and publishing business. Of the net proceeds of its sale of additional stock, some \$719,000 will be used for the repayment of indebtedness to James Talcott, Inc., and \$1,143,000 to reduce short-term borrowings from banks to zero. The company has embarked on an expansion program, involving a major addition to press equipment and plant facilities at an expected cost of about \$2,500,000; of this cost, some \$2,000,000 will be raised through long-term loans and \$500,000 from the net proceeds of this stock offering. The remainder of the proceeds of the offering will be added to general funds and used for additional working capital and other corporate purposes. The company has authorized negotiations to privately place a \$1,000,000 preferred stock issue. Such sum, if realized, will reduce the company's needs for borrowings. In addition to indebtedness and preferred stock, the company has outstanding 750 shares of Class B and 512,916 shares of common stock. Management officials own 6.9% of the common and 60.7% of the Class B common. Edgar A. Merkle is board chairman and Charles W. Lockyer president. Graphic Arts Press, Inc., proposes to sell all of its holdings of 50,428 shares and North Carolina Mutual Life Insurance Company 22,831 shares.

**BELDEN & BLAKE PROPOSES OFFERING.** Belden & Blake and Company Limited Partnership No. 2A, 702 Tuscarawas St., West, Canton, Ohio 44702, filed a registration statement (File 2-27335) with the SEC on September 25 seeking registration of 100 units of participation in the partnership, to be offered for public sale at \$2,700 per unit. The partnership was organized under Ohio law for the purpose of drilling oil and gas well locations in Ohio, were certain acreage can be acquired from Belden & Blake Oil Production, a general partnership. The latter is 75%-owned by Henry S. Belden, III, and Glenn A. Blake, general partners in the limited partnership. Belden & Blake will operate the business of the limited partnership.

**CG FUND PROPOSES OFFERING.** CG Fund, Inc., 900 Cottage Grove Rd., Bloomfield, Conn., filed a registration statement (File 2-27334) with the SEC on September 25 seeking registration of 5,000,000 shares of common stock. Organized under Delaware law on September 18, the Fund will operate as a diversified open-end management investment company. Its investment adviser is CF Investment Management Company, a wholly-owned subsidiary of Connecticut General Life Insurance Company, Hartford. Its shares will be offered to the public through CG Equities Sales Company, a subsidiary of the Management Company, at net asset value plus a maximum sales commission of 7½% (\$10.82 per share). The prospectus lists Henry R. Roberts as president; he also is president of the Insurance Company.

**CASCADE STEEL PROPOSES OFFERING.** Cascade Steel Rolling Mills, Inc., 1730 S. W. Skyline Blvd., Portland, Oregon 97221, filed a registration statement (File 2-27336) with the SEC on September 25 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$5.00 per share. The offering is to be made on a "best efforts" basis through underwriters headed by May & Co., Inc., 506 S. W. Sixth Ave., Portland, Oregon, which will receive a \$.675 per share selling commission. The company has agreed to issue to the underwriter a five-year option to purchase up to 25,000 shares at \$5.00 per share.

The company was organized under Oregon law on August 18 under the name of Rolling Mills, Inc., primarily for the purpose of acquiring all of the issued and outstanding stock of Cascade Steel Rolling Mills, Inc. Such stock was acquired by Rolling Mills in exchange for 104,400 shares of its capital stock. Immediately thereafter the two corporations were merged and the surviving corporation assumed its present name. The company proposes to construct and operate a semi-integrated steel rolling mill and melt plant at McMinnville, Oregon, and to produce steel products to be marketed in the Pacific Northwest area. Of the net proceeds of its stock sale, \$475,000 will be used to purchase and install a melt plant, \$260,000 as a down payment on a five-year 6% conditional sales contract for the purchase of the major components of a rolling mill; \$640,000 for installation costs and auxiliary equipment purchases for said rolling mill, \$675,000 for working capital for operational costs, financing accounts receivable, reserves, and building inventory, and \$12,000 for the retirement of company obligations. In addition to indebtedness, the company has outstanding 104,400 common shares, of which management officials own 69.34% (including 30.08% owned by David E. Gilmore, president).

**SAFECO FUND PROPOSES OFFERING.** SAFECO Fund, Inc., 4347 Brooklyn Ave., N.E., Seattle, Wash. 98105, filed a registration statement (File 2-27337) with the SEC on September 25 seeking registration of 5,000,000 shares of common stock. The Fund was organized in 1967 by General American Corporation as a diversified open-end investment company. The Fund has entered into an agreement with the SAFECO Research & Management Corp., for investment advisory and other management services; and the Management Corp. also will serve as distributor of Fund shares. The shares are to be offered at net asset value plus a maximum sales charge of 8½% (\$10 per share maximum\*). W. L. Campbell is board chairman of the Fund and of the parent. Kelly Waller is president of the Fund and of the Management Corp.

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**FUNDAMERICAN TRUSTEED TO DISSOLVE.** The SEC has issued an order under the Investment Company Act (Release IC-5102) giving interested persons until October 18 to request a hearing upon a proposal to declare that Fundamerican Trusteed Certificates, New York, has ceased to be an investment company. Fundamerican was liquidated in 1952. Manufacturers Trust Company (subsequently Manufacturers Hanover Trust Company), trustee for the company, received bank funds for the payment as of May 16, 1951, for a first liquidating distribution, payable upon surrender of the certificates at the rate of \$7.46 per share, and a final liquidating distribution payable January 18, 1952, at the rate of 14¢ per share. Fundamerican's account with Manufacturers was considered closed in 1962 after which all of the liquidating funds previously held by it were sent to the Comptroller of the State of New York.

**WEST PENN RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15860) authorizing West Penn Power Company, Greensburg, Pa. electric utility subsidiary of Allegheny Power System, Inc., to amend its charter to reclassify its 24,923 shares of authorized but unissued \$100 par 4-1/2% preferred stock. The company was also authorized to bring its charter into conformity with the requirements of the Commission's Statement of Policy regarding preferred stock subject to the Act.

**MET-ED DEBENTURE OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15861) authorizing Metropolitan Edison Company, Berks County, Pa. subsidiary of General Public Utilities Corporation, to issue and sell at competitive bidding \$20,000,000 of unsecured debentures due 1992. Net proceeds of the debenture sale will be used by Met-Ed to finance its public utility business, including the payment of some \$15,000,000 of bank notes.

**HARTFORD STEAM BOILER SEEKS ORDER.** The Hartford Steam Boiler Inspection and Insurance Company, Hartford, Conn., has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposal to purchase its shares from Insurance Securities Trust Fund ("ISTF"), a registered open-end diversified investment company; and the Commission has issued an order (Release IC-5103) giving interested persons until October 18 to request a hearing thereon. As of June 16, 1967, ISTF owned 100,000 shares, or 10% of the outstanding common stock of applicant; therefore applicant is an affiliated person of ISTF. Section 17(a) of the Act makes it unlawful for an affiliate of a registered investment company to purchase any security or other property from such investment company unless the Commission grants an exemption therefrom. The said Insurance company proposes to purchase the 100,000 shares from ISTF at a price of \$47 per share.

**HARPER AND LOWRY INDICTED.** The SEC Fort Worth Regional Office announced September 25 (LR-3812) the return of a seven-count indictment by the United States District Court in Oklahoma City charging Ford David Harper and Richard D. Lowry, both of Oklahoma City, with violations of the anti-fraud provisions of the Federal securities laws, the mail fraud statute, and conspiracy, in their operation of the Midwest Securities Corporation, a registered broker-dealer. The charges also included the conduct of business while insolvent and making false representations to investors.

**SOLUTEC CORP. PROPOSES OFFERING.** Solutec Corporation, 7165 - 30th Ave. North, St. Petersburg, Fla. filed a registration statement (File 2-27339) with the SEC on September 25 seeking registration of 175,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made through Hensberry & Co., 219 - 4th St. North, St. Petersburg, Fla., and two other firms, which are to receive a 20¢ per share commission. The company has agreed to pay the underwriters \$5,000 for expenses, and to sell to the underwriters 17,500 stock purchase warrants for \$175 (exercisable over a five-year period, initially at \$2 per share).

The company was organized in March 1966 to develop a metal preparation and cleaning process designed specifically "to solve many of the surface contamination problems which plague the electronic and aerospace industries." Net proceeds of its stock sale will be used to repay bank indebtedness, to purchase capital equipment, for advertising and promotion and for working capital. The company now has outstanding 221,300 common shares, of which management officials own 46% (Fred C. Nichols, president and board chairman, owns 19% and Edward M. Gilberg, vice president, 18%). If all the 175,000 shares are sold, purchasers will have acquired a 44% equity position in the company for \$350,000. Management officials and promoters, at a cash cost to them of \$23,197, plus services, plus a transfer of assets and a patent application, will have acquired 137,100 shares, while other investors have acquired 84,200 shares for an aggregate cost of \$84,200.

**PHOENIX STEEL FILES FOR SECONDARY.** Phoenix Steel Corporation, 4001 Philadelphia Pike, Claymont, Del. 19703, filed a registration statement (File 2-27340) with the SEC on September 25 seeking registration of 132,225 warrants to purchase a like number of common shares, as well as the underlying shares. The warrants were issued 40% to Allen & Company, 40% to Goodbody & Co. and 20% to Marquette de Bary Co. for \$1,250 for services provided in the underwriting and sale of \$35,000,000 of industrial revenue bonds in 1966. Each warrant entitles the holder to purchase 1.0578 shares of Phoenix Steel common for \$21.7432 per share on or before December 31, 1970, and for \$26.47 per share thereafter on or before December 31, 1975. The warrant-holders may offer the stock issued upon exercise of the warrants from time to time at the market price thereof at the time of sale.

**HUDSON LEASING FILES FOR OFFERING AND SECONDARY.** Hudson Leasing Corporation, 120 Broadway, New York 10005, filed a registration statement (File 2-27341) with the SEC on September 26 seeking registration of 150,000 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company, and 78,000 (being outstanding shares) by the present holders thereof. The prospectus also covers 22,000 shares to be issued by the company upon exercise (at \$6.75 per share) of a common stock purchase warrant held by Massachusetts Mutual Life Insurance Company. The public offering price (\$16.00 per share maximum\*) and underwriting terms are to be supplied by amendment. Allen & Co. Inc., 30 Broad St., New York 10004 and two other firms are listed as the principal underwriters.

The company was organized in July 1961 under Delaware law to engage in the equipment leasing business. Net proceeds of its sale of additional stock and the proceeds from the exercise of the warrant will be added to the company's general funds and used to acquire additional equipment for use by the company in its leasing and rental operations or to reduce current bank borrowings and other outstanding indebtedness. In addition to indebtedness, the company has outstanding 774,400 common shares, of which management officials own 42.18%. Jay B. Langner is president and Samuel D. Lunt is board chairman. The prospectus lists seven selling stockholders. The Belgian-American Bank & Trust Company and the Schroder Rockefeller & Co. Inc., each proposes to sell 20,000 of its holdings of 40,000 shares, and the Estate of John J. Boland, Jr., all of its holdings of 20,000 shares; the others propose to sell shares ranging in amount from 1,000 to 10,000 shares.

**TRANSCONTINENTAL GAS PIPE LINE PROPOSES BOND OFFERING.** Transcontinental Gas Pipe Line Corporation, 3100 Travis St., Box 1396, Houston, Texas 77001, filed a registration statement (File 2-27342) with the SEC on September 26 seeking registration of \$50,000,000 of first mortgage pipe line bonds, due 1988. The bonds are to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., and Stone & Webster Securities Corp., 90 Broad St., both of New York. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system for the purchase, sale and transportation of natural gas which extends from the Texas and Louisiana Gulf Coast to the New York-New Jersey-Philadelphia metropolitan area. Net proceeds of its bond sale will be used to prepay \$48,000,000 of outstanding notes payable to banks; and the balance will be applied to the cost of its construction program, estimated at \$135,000,000 for 1967 and \$147,000,000 for 1968. In addition to indebtedness and preferred stock, the company has outstanding 18,473,306 common shares, of which Stone & Webster, Inc. owns 11% and management officials 3.3%. James B. Henderson is president and E. Clyde McGraw is board chairman.

**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 captions of the several items of the form was included in the September 7 News Digest.

Alaska Interstate Co	Aug 67 (2,7,11,13)	2-25477-2
Columbia Pictures Corp	Aug 67 (8,13)	1-3108-2
Fansteel Metallurgical Corp	Aug 67(12,13)	1-2331-2
Hartford Gas Co	Jun 67 (12,13)	0-327-2
Instrument Systems Corp	Aug 67(7,8,9,13)	0-116-2
Laguna Niguel Corp	Aug 67 (12)	1-4871-2
Ling-Temco Vought Inc	Jul 67 (7)	
Lionel Corp	Aug 67 (13)	1-3197-2
New York Air Brake Co	Sept 67 (11)	1-1016-2
Scott & Fetzer Co	Aug 67 (2,7,13)	0-231-2
Southwestern Inv Co	Aug 67 (4,7,13)	0-47-2
Wil Tek Inc	Aug 67 (7)	0-2401-2
Cott Corp		
Amend #1 to 8K	Jul 67 (13)	1-4532-2

**SECURITIES ACT REGISTRATIONS.** Effective September 26: Alabama Power Co., 2-27238; Data Processing Financial & General Corp., 2-27137 (40 days); Grow Chemical Corp., 2-27146 (40 days); Potter Instrument Co., Inc., 2-27206 (40 days); Rusco Industries, Inc., 2-27220; United Aircraft Corp., 2-27175 (40 days).

**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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