

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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FOR RELEASE July 1, 1964

TOWNSEND - RESORT AIRLINES MERGER PLAN AMENDED. The SEC has issued an order under the Investment Company Act (Release IC-4000) giving interested persons until July 20 to request a hearing upon an exemption application under that Act with respect to the proposed merger of Townsend Corporation of America ("TCA") and Townsend Management Company ("TMC"), both of Short Hills, N. J., and Resort Airlines, Inc., a majority-owned subsidiary of TCA. At hearings upon the merger plan (Release IC-3869), holders of Resort's outstanding non-cumulative preferred stock opposed the plan on the ground that it is unfair to them. Thereafter, TCA and TMC engaged in negotiations with holders of Resort's noncumulative preferred stock looking to the retirement of such stock; and as a result of the plan has been amended (with approval of the preferred stockholders) to provide for the repurchase of the noncumulative preferred stock to be issued by TCA (as the surviving corporation) in exchange for the Resort noncumulative preferred stock. Under the amended plan, the merged company (TCA) will repurchase all of its noncumulative preferred stock (to be issued in the merger) for a cash payment equal to 63% of its \$100 par value, or an aggregate amount of \$88,515. (For further details of plan, see Release IC-3869).

FAMILY FUNDS OF NY REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-7358) revoking the broker-dealer registration of Family Funds of New York, Inc., 16 East 42nd St., New York, for failure to file a report of financial condition for 1962. Morris I. Pickus, president, was found to be a cause of the revocation order.

RICHARD & CO. WITHDRAWAL AUTHORIZED. The SEC has authorized Mark Jacobs and Richard Capellini, dba Richard & Co., 11 Commerce St., Newark, N. J., to withdraw from registration as a broker-dealer (Release 34-7355). Proceedings on the question whether the firm's registration should be revoked were discontinued. The proceedings were based upon failure of the firm to file reports of financial condition for 1961 and 1962. However, according to the order, the firm terminated its business in November 1957 and has not engaged in the securities business since that date.

FOX - CONSOLIDATED ENTERPRISES (NEBR.) REVOKED. The SEC today announced a decision under the Investment Advisers Act (Release IA-173) revoking the investment adviser registration of Herbert J. Fox, dba Consolidated Enterprises of Nebraska, 4312 Leavenworth St., Omaha, for violations of the Securities Act registration requirements and the anti-fraud provisions of that Act and the Investment Advisers Act. According to the decision, in offering to sell unregistered investment contracts, Fox placed advertisements in newspapers and made false and misleading statements concerning, among other things, the safety of and return to be received from an investment in the securities of registrant, the use to be made of funds furnished registrant by investors, the extent to which registrant guaranteed the payment of interest and repayment of principal, the number of investors who had previously purchased registrant's securities, the composition of Consolidated Enterprises of Nebraska as a business entity, and the extent to which this Commission regulated registrant's activities. Fox was enjoined by Federal court order in March 1964, on SEC complaint, from engaging in similar activities in the sale of investment contracts. He consented to the revocation order.

CORRECTION RE INGERSOLL-RAND. The SEC News Digest of June 19th erroneously reported that the Commission had granted an application of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stock of Ingersoll-Rand Company, whereas the order provided, instead, that interested persons could request a hearing upon the application not later than July 4, 1964.

ZIMOCO PETROLEUM FILES EXCHANGE PLAN. Zimoco Petroleum Corporation, 410 Park Ave., New York, filed a registration statement (File 2-22564) with the SEC on June 26 seeking registration of 527,531 shares of common stock, to be offered in exchange for interests in certain oil and gas properties located in Louisiana, Oklahoma and Texas. The purpose of the exchange offer is to combine into a single entity, oil and gas interests now or previously owned by Martin J. Zimet, Sidney A. Zimet, Zimet Bros. (a partnership), Zimet Bros., Inc., and Helens Petroleum Corporations, which are all businesses owned by the Zimet brothers and certain other persons. The exchange offer is conditional upon the tender of interests covering the issuance of not less than 275,000 shares of common stock, and the Zimets have indicated an intention to tender interests in respect of which 216,474 common shares are issuable. Also included in the registration statement are 70,000 shares of common stock to be issued to certain charitable organizations.

Organized in June 1963, the company is engaged in the business of operating existing wells and developing and drilling for oil and gas wells. In April 1964, it acquired the Corsicana properties in Texas (consisting of over 1,250 oil, gas and injection wells, an oil and gas well service operation and a pipeline) for \$6,000,000 cash, funds for which were borrowed from Continental Illinois Bank and Trust Company of Chicago. Under the terms of the loan agreement, the Corsicana properties are subject to a first mortgage lien under a mortgage, deed of trust, chattel mortgage and assignment. Continental also has the right to place a lien on all of the company's other properties presently owned or to be acquired upon consummation of the exchange offer. In addition, the company may not declare any cash dividends so long as the loan is outstanding.

OVER

On May 20, 1964, 1,260,000 shares of common stock were issued to the Zimets in respect of the value of the Corsicana properties in excess of the related liabilities. Upon full consummation of the exchange offer, the company will have outstanding 2,000,000 common shares, of which the Zimets will each own 40.47%. Martin J. Zimet is president.

FED-MART LIFE INSURANCE PROPOSES OFFERING. Fed-Mart Life Insurance Company, 4711 Blanco Rd., San Antonio, Tex., filed a registration statement (File 2-22568) with the SEC on June 29 seeking registration of 200,000 shares of common stock. Of the stock being registered, 125,000 shares are to be offered to shareholders of The Fed-Mart Corporation (parent of the company), at the rate of one share for each seven Fed-Mart shares held. Any of such shares not purchased by the Fed-Mart shareholders and the additional shares being registered will be offered for public sale through underwriters headed by William R. Staats & Co., Inc., 640 S. Spring St., Los Angeles, and Eppler, Guerin & Turner, Inc., 1600 Fidelity Union Tower, Dallas. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in writing non-participating permanent and term life insurance in Texas, California and Arizona. From 1958 through 1961, it was almost entirely dependent upon the Fed-Mart Pension Trust business and on sales made through Fed-Mart stores. In 1961, the company commenced independent sales operations; however, according to the prospectus, its relationship with The Fed-Mart Corporation is still a significant factor in the business and prospects of the company. Net proceeds from this stock sale will be used to retire \$200,000 of outstanding 6% surplus debentures, and the balance will become part of the general and capital funds and used in the conduct of the company's insurance business. In addition to indebtedness, the company has outstanding 200,000 shares of common stock (which were acquired by the parent for \$702,429, an average of \$3.51 per share). Morris D. Jaffe is president.

ARCOA PROPOSES OFFERING. ARCOA Inc., 1006 S. E. Grand Ave., Portland, Ore., filed a registration statement (File 2-22570) with the SEC on June 29 seeking registration of \$5,000,000 of fleet owner contracts to be offered to the public and \$1,000,000 of dealer fleet trust certificates to be offered to U-Haul rental dealers. The contracts provide for the operation in the U-Haul Rental System of fleets of automobile-type rental trailers which are marketed under the name "U-Haul" and are rented to the public for round trips and for one-way trips in the United States and Canada. The trailer fleet owner receives 35% of the gross rental income from his trailers and pays certain trailer operation expenses. Dealer fleet trust certificates relate to a program designed to encourage long-term associations between rental dealers and the System and to facilitate the purchase by rental dealers of trailers to be operated in the System.

ARCOA performs accounting, clearinghouse, technical and advisory services for the fleet owners, rental companies and dealers of the U-Haul Rental System. For such services, it receives 10% of the gross rental income of the System. All of its capital stock is owned by the family of L. S. Shoen (president).

BULOVA WATCH PROPOSES RIGHTS OFFERING. Bulova Watch Company, Inc., 630 Fifth Ave., New York, filed a registration statement (File 2-22576) with the SEC on June 30 seeking registration of \$8,082,500 of convertible subordinated debentures (due 1984), to be offered to its common stockholders at the rate of \$100 principal amount of debentures for each 24 shares held on August 4, 1964. Unsubscribed debentures will be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York. The interest rate, offering price (102% of principal amount*) and underwriting terms are to be supplied by amendment.

The company manufactures and sell watches and timepieces for consumer use, as well as timing devices and other products for industrial and defense use. It also markets a line of radios and phonographs. Net proceeds from the debenture sale will be added to working capital. Initially, such funds will be used to reduce short-term borrowings incurred to finance increased inventories and accounts receivable. In addition to indebtedness, the company has outstanding 1,939,797 shares of common stock, of which management officials as a group own 74,105 common shares. General Omar N. Bradley is board chairman and Harry B. Henshel is president.

GENERAL DEVELOPMENT FILES STOCK PLAN. General Development Corporation, 2828 S. W. 22nd St., Miami, filed a registration statement (File 2-22578) with the SEC on June 30 seeking registration of 350,000 shares of common stock, to be offered under its 1963 Employees' Stock Option Plan.

CITIZENS LIFE FILES FOR OFFERING AND SECONDARY. Citizens Life Insurance Company of New York, 33 Maiden Lane, New York, filed a registration statement (File 2-22577) with the SEC on June 30 seeking registration of 176,253 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 76,253 shares (being outstanding stock) by Citizens Casualty Company of New York. The offering will be made through underwriters headed by A. G. Becker & Co., Inc., 60 Broad St., New York. The public offering price (\$41 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the business of writing various forms of ordinary life insurance both a participating and non-participating bases. Net proceeds from its sale of additional stock will be added to general funds and used in the conduct of the company's insurance business. The company has outstanding 500,033 shares of common stock, of which management officials as a group own about 3%. Citizens Casualty owns 55.2% (276,253 shares) of the company's outstanding common stock and, upon completion of this offering, will own approximately 33%. Jack Hyman is board chairman and John A. Solomon is 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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. *Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. *Financial Statements and Exhibits.

*Filings covering these items only will not necessarily be announced in the News Digest.

Copies of the reports may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed.

8K for May 1964

Fanny Farmer Candy Shops Inc (4,11,13)
 General Plywood Corp (2,13)
 Keylon, Inc (7)
 Parker Pen Co (11)
 St. Louis Southwestern Railway Co (11)
 Stephenson Finance Co Inc (7)
 Tucson Gas & Electric Co (11)
 Ward Foods, Inc (1,3,6,7,9,11,12,13)
 Walter Kidde & Co Inc (11,13)
 Kirby Petroleum Co (Nevada) (7,8,13) (Jan. 1964) Nov. 1963 (7,13)
 Maule Ind, Inc (7)
 Waldbaum, Inc (7,11)
 First Colorado Bankshares, Inc (11)
 Mississippi River Fuel Corp (11,12,13)
 Natural Gas Pipeline Co of America (12)
 Ohio Brass Co April 1964 (3)
 Peoples Gas Light & Coke Co (12)
 Wolf Corp (11)
 City Stores Co (11) (May 1963)
 Iowa Southern Utilities Co (12)
 Joseph Magnin Co Inc (2,7,8,13)
 Lithium Corp of America (11)
 Masco Corp (11)
 Mt. Clemens Ind, Inc (11)
 Consolidated Mortgage & Invst. Corp (8)
 North Electric Co (7,11,13)
 Spartans Ind, Inc (11,13)
 Collins Radio Co (4,12,13)
 Electro-Voice Inc (3,11,13)
 International Seaway Trading Corp (11,12,13)
 Unimed Inc (11)
 Colorado Rivet & Machine Co (11)
 Continental Air Lines, Inc (7,9,11,13)
 Republic Industrial Corp (12,13)
 Welsh Panel Co (12,13)
 Albertson's Inc (4,11,13)
 Cincinnati Gas & Electric Co (3,7,13)
 Missouri-Kansas-Texas RR Co (11)
 Texas Power & Light Co (11,13)
 Union Light, Heat & Power Co (3,11)
 Bell Intercontinental Corp Amend #1 to 8K for May 1964 (12,13)
 Mohawk Airlines Inc Amend #1 to 8K for April 1964 (7)

Consumers Cooperative Assoc. May (7,8)
 Transcontinental Gas Pipe Line Corp May (7,8,13)
 Atlas Corp May (3,6)
 Brite Universal, Inc June (12), 13)
 Dillingham Corp May (11)
 Halliburton Co May (7,10,11,13)
 Kilembe Copper Cobalt Ltd May (11,13)
 Oil Shale Corp May (2,13)
 Outlet Co May (13)
 Atmos-Pak, Inc May (11,12)
 Arnav Ind, Inc May (2,7,13)
 Great Southwest Corp May (7,13)
 Helio Aircraft Corp May (7,9)
 Va. Iron & Coke Co May (3,13)
 Richard D. Irwin Inc May (11)
 Rogers Brothers Co May (7)
 Insurance Capital, Inc May (7)
 Jeanette Glass Co April (7,8,10,11,13)
 Mississippi Valley Gas Co May (7,11)
 National Airlines, Inc May (3)
 Texas & Pacific Railway Co May (7)
 Ampex Corp May (12,13)
 Denver National Life Insur. Co Feb. 1963 (1,2,4,8,10,11,12,13) April 1963 (11,13)
 Gulf American Land Corp May (12,13)
 Strategic Materials Corp April (11,13)
 Brunswick Corp April (11,13)
 Detex-Trans Corp May (2,8,12,13)
 King's Dept. Stores, Inc May (11,13)
 Kysor Industrial Corp Jan. (2,13) Mar. (7)
 Reading & Bates Offshore Drilling Co April (2,11,13)
 Southern Pacific Co (Del) May (7,11)
 Gamble Skomo, Inc Feb. thru April (2,13)
 General Exploration Co of Calif. May (11,13)
 The Hanna Mining Co May (7,10,11)
 Income Properties Inc (New York) Sept. 1961 (2,13) Oct. 1961 (2,13) Mar. 1962 (4,13) Aug. 1, 1962 to April 30, 1964 (7,13)
 Kirby Petroleum Co (Nev.) May (2,13)

Union Financial Corp April (2,11)
 Builtwell Homes, Inc April (7)
 Cook Coffee Co May (8)
 Jonathon Logan, Inc May (11)
 Kinney Service Corp May (12)
 Mississippi River Transmission Corp May
 (11,12,13)
 Missouri Pacific RR Co May (7,12)
 American Metal Climax Inc May (11,12,13)
 Black, Sivals & Bryson Inc May (2)
 MCWood Corp May (4,7,13)
 Penna. Gas & Water Co June 1964 (4,11,13)
 Trans-Canada Pipe Lines Ltd May (7,8)
 H.R. Weissberg Corp May (3,11,12)
 Empire Life Insurance Co (Calif) (7,9) May
 First Financial Corp of the West April (11)
 Gladstone Mountain Mining Co June (11)
 See's Candy Shops Inc May (7)
 John Sexton & Co May (12)
 Skyline Homes Inc May (12,13)
 Travel Management Corp May (11)
 Godfrey Co May (12,13)
 Husky Oil Canada Ltd May (4,13)

Nelly Don Inc April (12)
 Square D Co April (11,12)
 American Urethana, Inc April (2)
 Crampton Mfg Co May (3)
 Fawick Corp May (2,7,10,11,13)
 Warner Elec. Brake & Clutch Co May
 (11,12,13)
 Gem International Inc March (13)
 Hudson Pulp & Paper Corp May (7,8,13)
 Hyster Co May (7,8,11,13)
 National Cleveland Corp April (11,13)
 Tower Industries, Inc May (2,7,11,12)
 Washington Water Power Co May (11)
 Silver Creek Precision Corp Amend #1 to 8K
 for Dec. 1963 (2)
 New York Airways Inc Amend #1 to 8K for
 Jan. 1964 (2,13)
 Basic Properties, Inc Amend #1 to 8K for
 Jan. 1964 (2,8,13)
 Insurance Securities, Inc Amend #1 to 8K for
 Jan. 1964 (13)
 Fair Lanes Inc Amend #2 to 8K for Oct.
 1962 (8)

SPEEDRY CHEMICAL SHARES IN REGISTRATION. Speedry Chemical Products, Inc., 84-00 73rd Ave., Glendale, N. Y., filed a registration statement (File 2-22574) with the SEC on June 29 seeking registration of 153,959 shares of Class A stock. Of this stock, 122,641 shares are to be offered in the acquisition of all (but not less than 90%) of the outstanding capital stock of Dimensional Research Corporation. One Class A share will be offered for each of the 22,641 outstanding shares of Dimensional's convertible preferred stock. The balance of the 122,641 shares will be divided among former holders of Class A common, Class B common and convertible preferred stock of Dimensional over a five-year period beginning January 1, 1964, the exact number of shares to be determined by profits realized by Dimensional during such period. The registration statement also relates to 21,818 outstanding Class A shares which may be offered for public sale by the present holder thereof at prices current at the time of the sale (\$5.125 per share maximum*). In addition, the company is registering 9,500 Class A shares to be offered to certain of its employees (2,500 of which are to be issued upon exercise of stock options). No underwriting is involved.

The company manufactures and sells specially formulated chemical compounds in the nature of inks, as well as marking devices for their application. Upon the acquisition of Dimensional, it will engage in producing images that appear to have dimension and/or movement, through a process combining specialized photography and printing with lenticular plastic lenses. In addition to indebtedness, the company has outstanding 317,900 Class A shares and 440,000 Class B shares. The selling stockholders, Max J. Milsky (vice president) and The Donner Trusts, are offering their entire holdings of 6,818 and 15,000 Class A shares, respectively. Sidney Rosenthal is president.

SECURITIES ACT REGISTRATIONS. Effective June 30: Solitron Devices, Inc. (File 2-22076); Stephenson Finance Company, Inc. (File 2-22437).

Effective July 1: Fidelity and Deposit Company of Maryland (File 2-22407); Melnor Industries, Inc. (File 2-22485).

*As estimated for purposes of computing the registration fee.

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