

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)
SEC

(Issue No. 68-156)

FOR RELEASE August 9, 1968

SEC ORDER CITES LIONEL D. POLYCARPO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Lionel D. Polycarpo, doing business as L. D. Polycarpo Company, South Dartmouth, Mass., a broker-dealer firm.

The proceedings are based upon staff charges that Polycarpo violated provisions of the said Act and Commission rules thereunder by (a) failing to complete securities transactions with customers, converting customers' money to his own use, failing to timely purchase securities ordered by customers, sending false confirmations to customers, making false and misleading statements about the business and financial condition of the registrant in contravention of Rules 10b-5 and 15c1-2; (b) failing to make and keep books and records as required by Rule 17a-3; (c) doing business when the registrant's net capital was not in accordance with the provisions of Rule 15c3-1; (d) failing to file with the Commission a report of the registrant's financial condition for the year 1967; and (e) filing an inaccurate and incomplete notice of withdrawal of registration. Withdrawal has not become effective.

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

PETER MENCHER CITED. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Peter Mencher, of New York City. From May 1961 until January 1965 Mencher was the president and sole stockholder of Mencher & Co., a registered broker-dealer. A notice of the withdrawal of the registration of Mencher & Co. became effective on January 30, 1965.

The proceedings are based upon staff charges that Mencher violated, and aided and abetted Mencher & Co. in violating, provisions of the Federal securities laws and Commission rules thereunder by (a) diverting customers' securities deposited for safekeeping to the use of Mencher & Co. in violation of the anti-fraud provisions of the said Acts, (b) hypothecating customers' securities in contravention of Rule 15c2-1; (c) failing to make and keep books and records as required by Rules 17a-3 and 17a-4, and (d) filing a false and misleading notice of withdrawal as a broker-dealer in violation of Rule 15b6-1.

A hearing will be scheduled by further order for the purpose of taking evidence on the staff charges and affording the respondents an opportunity to offer any defenses thereto, to determine whether the allegations are true and, if so, whether any action of a remedial nature should be taken.

WEST-CENTRAL AIRLINES OFFERING SUSPENDED. The SEC has issued an order making permanent its order of June 21, 1968, which temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by West-Central Airlines, Inc., of Omaha, Nebr. The Commission's action followed the withdrawal by West-Central of its request for a hearing on the charges contained in the order of June 21.

The proposed offering involved 65,650 common shares of West-Central at \$4.50 per share. In its temporary suspension order the Commission had asserted that it had "reasonable cause to believe" that certain terms and conditions of Regulation A had not been complied with and that the company's notification and accompanying offering circular were false and misleading in respect of certain material facts.

AMERICAN ELECTRIC POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16134) giving interested persons until August 27 to request a hearing upon a proposal of American Electric Power Company, Inc. ("AEP"), New York holding company, to transfer, as a capital contribution, subordinated notes of Ohio Valley Electric Corporation ("OVEC") to subsidiary companies. OVEC was organized by a group of public utility and holding companies to construct and operate certain generating facilities along the Ohio River. AEP owns 37.8% of OVEC's outstanding stock and holds \$3,000,564 principal amount (37.8%) of OVEC's outstanding \$7,938,000 of subordinated notes issued to sponsor companies. AEP proposes to transfer the notes it holds to its subsidiaries as follows: Appalachian Power Company, 15.2%; Indiana & Michigan Electric Company, 7.6%; and Ohio Power Company, 15%.

TRAVELERS INSURANCE RECEIVES ORDER. The SEC has issued an order exempting The Travelers Insurance Company ("Insurance Company"), and The Travelers Fund B for Variable Contracts ("Separate Account"), Hartford, Conn., from certain provisions of the Investment Company Act (Release IC-5459). Travelers established Separate Account as the facility through which Insurance Company will set aside and invest assets attributable to variable annuity contracts not qualifying for federal tax benefits under Section 401 or 403 of the Internal Revenue Code.

MASS. INVESTORS TRUST SEEKS ORDER. Massachusetts Investors Trust ("MIT"), a Boston common law trust, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed acquisition of substantially all of the assets of Deming Investment Corporation ("Deming"); and the Commission has issued an order (Release IC-5460) giving interested persons until August 29 to request a hearing thereon. MIT proposes to issue its shares at net asset value for Deming's assets, which were valued at \$2,113,416 on June 30, 1968. Had the transaction been consummated on that date, Deming would have received 123,231 shares of MIT stock. The shares of MIT are to be distributed to the Deming shareholders on the liquidation of Deming.

OVER

STRUTHERS CAPITAL CORP. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5461) with respect to the proposed acquisition by Struthers Capital Corporation ("Struthers"), New York wholly-owned subsidiary of Struthers Wells Corporation ("Struthers Wells"), of Developers Small Business Investment Corporation (a New Jersey company licensed under the Small Business Investment Act). Organized in April 1968 for the purpose of acquiring Developers, Struthers has applied to the Small Business Administration for a license to operate as a small business investment company. It proposes to acquire all the assets and business of Developers and to assume substantially all of the liabilities in exchange for 120,238 common shares of Struthers Wells. After the exchange, Struthers Wells stock will be distributed to Developers shareholders and Developers will be liquidated.

AMERICAN RESEARCH AND DEVELOPMENT SEEKS ORDER. American Research and Development Corporation ("American Research"), a Boston closed-end, nondiversified, management investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting it to sell 215,000 outstanding common shares of Digital Equipment Corporation ("Digital") at the same time Digital sells 100,000 of its authorized but unissued shares; and the Commission has issued an order (Release IC-5463) giving interested persons until August 27 to request a hearing thereon. American Research owns 1,750,000 of the 2,926,600 outstanding common shares of Digital. Four directors, including two who are senior vice presidents, of American Research own an additional 360,400 shares of Digital. American Research proposes to sell the 215,000 Digital shares in order to provide additional funds for its own purposes and Digital the 100,000 additional shares in order to obtain funds to pay bank borrowings and to provide additional working capital. The offering is to be made through underwriters headed by Lehman Brothers. The offering price and underwriting terms are to be supplied by amendment.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8376) granting an application of the American Stock Exchange to strike the Central Charge Service, Inc., common stock from listing and registration, effective at the opening of business August 12, 1968. Delisting was requested because of the limited number of shares (10,121) remaining outstanding in the hands of the public as a result of the exchange offer by Riggs National Bank of Washington, D. C., which became effective on July 10, 1968.

DELISTING DEFERRED. At the request of the Salt Lake Stock Exchange, the SEC has issued an order deferring until further order the effective date of its order of July 26, 1968, which granted the application of the Exchange to strike the securities of Diamond-B Industries, Inc., from listing and registration.

EQUITY RESOURCES LIMITED PARTNERSHIP PROPOSES OFFERING. Equity Resources Limited Partnership 1968, 90 Park Ave., New York 10016, filed a registration statement (File 2-29787) with the SEC on August 5 seeking registration of 250 partnership units (\$2,500,000), to be offered for sale in \$10,000 units. The offering is to be made on a "best efforts" basis through Equity Securities Corporation (distributor), which will receive a \$600 per unit selling commission, or certain NASD members, which will receive a 5% selling commission. The partnership was created in July 1968 to conduct an oil, gas and other minerals exploration and development program. Equity Resources Corporation is the general partner of the limited partnership. The general partner and distributor are wholly-owned subsidiaries of Equity Funding Corporation of America. Dov Amir is president of the general partner.

VALUE LINE SECURITIES PROPOSES OFFERING. Value Line Securities, Inc., 5 East 44th St., New York, filed a registration statement (File 2-29788) with the SEC on August 5 seeking registration of \$10,000,000 of units in Value Line Investment Program, a unit investment trust. The Programs provide for the accumulation of shares of The Value Line Special Situations Fund, Inc. ("Fund"), through periodic investment programs, periodic investment programs with life insurance, and elective payment programs. The Programs are created under Massachusetts law by a Custodian Agreement of July 1968 between Value Line Securities, Inc., as Sponsor, and State Street Bank and Trust Company, as Custodian. The Sponsor acts as principal underwriter for the sale of the Programs. All of the outstanding shares of the Sponsor are owned by Arnold Bernhard & Co., Inc., which acts as investment adviser and manager of the Fund. Frank B. Smith is president of the Sponsor.

PARVIN/DOHRMANN FILES FOR EXCHANGE OF SHARES. Parvin/Dohrmann Company, 120 North Robertson Blvd., Los Angeles, Calif. 90048, filed a registration statement (File 2-29760) with the SEC on August 1 seeking registration of 70,125 shares of common stock. Pursuant to an agreement and plan of reorganization of June 1968, it is proposed to issue these shares in exchange for all of the outstanding capital stock of Prell Hotel Corp., at the rate of 187 common shares for each Prell common share. After the exchange, the Prell stock will be held by Fremont Holding Corp., a wholly-owned subsidiary of Parvin/Dohrmann. Prell is the owner of the Aladdin Hotel and Casino, a 305-room and 32-villa establishment with casino, restaurant and entertainment facilities on the Strip in Las Vegas. The reorganization plan is expected to be consummated on or before September 30, 1968.

Parvin/Dohrmann is engaged principally in providing interior design and decorating services, furnishings and furniture, as well as equipment and supplies, primarily to hotels, restaurants, offices, banks and institutions in the 11 Western states, Hawaii and Alaska. In addition to indebtedness, the company has outstanding 1,075,105 common shares, of which A. B. Parvin, president, owns 225,283 shares and Harry A. Goldman, board chairman, 120,280. Management officials as a group own 39.2%.

TRW FILES FOR SECONDARY. TRW Inc., 23555 Euclid Ave., Cleveland, Ohio 44117, filed a registration statement (File 2-29776) with the SEC on August 2 seeking registration of 566,880 outstanding shares of common stock and 240,000 outstanding shares of \$4.50 convertible preferred stock, Series 3. These securities are to be issued by TRW to stockholders of United-Greenfield Corporation upon the proposed merger of United-Greenfield into TRW. The recipients thereof may offer them for sale from time to time at prices current at the time of sale (\$50.625 per common share maximum and \$105 per \$4.50 preferred share maximum*).

CONTINUED

TRW is a diversified, technically oriented manufacturing company. Its principal businesses are the manufacture and sale of products and the performance of systems engineering, research and technical services in the space, defense and electronics fields; manufacture and sale of engine, chassis and other components for automobiles, trucks, tractors and other vehicles; of industrial products such as ball bearings, metal cutting tools, carbides, thread-cutting tools, industrial hand tools, fasteners and pumps, valves and drills for the extraction and chemical industries; and of aircraft component parts, largely for turbine engines. In addition to indebtedness and preferred stock, the company has outstanding 23,060,995 common shares and 1,295,192 \$4.50 preferred shares. Of the common shares, management officials own 3.9%. J. D. Wright is board chairman and chief executive officer and H. A. Shepard president. Edward Burling, Jr., proposes to sell 16,546 common and 33,091 preferred shares and fifty-one others the remaining shares being registered.

SHERWOOD LEASING TO SELL DEBENTURES. Sherwood Leasing Corporation, 299 Park Ave., New York 10017, filed a registration statement (File 2-29789) with the SEC on August 6 seeking registration of \$4,500,000 of convertible subordinated debentures, due 1983, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Putnam, Coffin & Burr--Doolittle, Inc., 6 Central Row, Hartford, Conn. 06103. The interest rate and underwriting terms are to be supplied by amendment. The company will sell to the Putnam--Doolittle firm, for \$150, warrants to purchase 15,000 common shares.

The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial organizations to meet specific business and manufacturing requirements. The company will add net proceeds of its debenture sale to its general funds as additional working capital, principally to enable it to increase its ability to borrow funds and to finance internally a greater amount of the equipment which it leases to others. In addition to indebtedness, the company has outstanding 330,000 common shares, of which Robert D. Esseks, president, owns 37.8%, and Alan A. Fisher, vice president, 18.9%.

COX CABLE COMMUNICATIONS PROPOSES OFFERING. Cox Cable Communications, Inc., White Columns, 1601 West Peachtree St., N. E., Atlanta, Ga. 30309, filed a registration statement (File 2-29790) with the SEC on August 6 seeking registration of 500,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in July 1968 by Cox Broadcasting Corporation to own and operate its CATV properties. Later in July, the company acquired from Cox Broadcasting all of the outstanding stock of Trans-Video Corporation and Cox Cablevision Corporation in exchange for 2,000,000 common shares. Of the net proceeds of its stock sale, the company will use a portion to pay some \$654,561 of accounts payable to Cox Broadcasting; the balance will be added to the company's general funds and will be available for working capital and other corporate purposes including acquisitions and construction of new or expansion of existing CATV and microwave systems. In addition to indebtedness, the company has outstanding 2,000,000 common shares, all of which are owned by Cox Broadcasting. Cox Broadcasting has outstanding 2,906,631 common shares, of which management officials of Cox Cable Communications own 141,289 shares, Atlanta Newspapers Inc. 30.96%, Dayton Newspapers, Inc., 13.22% and Springfield Newspapers, Inc., 14%. J. Leonard Reinsch is board chairman and president of Cox Cable Communications.

COLUMBIA PICTURES FILES FOR SECONDARY. Columbia Pictures Corporation, 711 Fifth Ave., New York 10022, filed a registration statement (File 2-29791) with the SEC on August 6 seeking registration of 241,522 outstanding shares of common stock. The shares were issued upon exercise of options. The recipients thereof may offer the shares for sale from time to time at prices current at the time of sale (\$39.25 per share maximum*).

The company is primarily engaged in the business of distributing to theatres in the United States and abroad motion pictures produced by it and by independent producers. In addition to indebtedness and preferred stock, the company has outstanding 4,584,531 common shares. Samuel J. Briskin proposes to sell 20,172 shares of 32,650 shares held, Leo Jaffe 41,354 of 74,080, A. Schneider 98,906 of 177,618 and M. J. Frankovich 81,090 of 83,834.

CRAWFORD & CO. FILES FOR SECONDARY. Crawford & Company, 131 Ponce de Leon Ave., N. E., Atlanta, Ga. 30308, filed a registration statement (File 2-29793) with the SEC on August 6 seeking registration of 225,000 outstanding shares of common stock. The shares are to be offered for public sale through underwriters headed by Courts & Co., 11 Marietta St., N. W., Atlanta, Ga. 30303. The offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of providing insurance claims adjusting services, primarily to casualty-property insurance companies. It has outstanding 133,219 Class A nonvoting and 20,000 Class B voting common shares. It proposes a recapitalization to convert the Class A and B shares into 900,000 common shares. Of the 900,000 common shares the Estate and Trusts of James H. Crawford will own 95.97% and Robert C. Crawford, a director, 4.03%. The James Crawford Estate and Trusts propose to sell 215,933 of 863,730 shares held and Robert Crawford 9,067 of 36,270. A. B. Robertson is president.

UNITED TELECONTROL ELECTRONICS FILES FOR OFFERING AND SECONDARY. United Telecontrol Electronics, Inc., 3500 Sunset Ave., Asbury Park, N. J. 07712, filed a registration statement (File 2-29794) with the SEC on August 6 seeking registration of 100,000 shares of common stock. Of this stock, 60,000 shares are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Emanuel, Deetjen & Co., 120 Broadway, New York. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. The company and the selling stockholders have agreed to pay the Emanuel-Deetjen firm, on a pro-rata basis, \$5,000 for expenses. In addition, the company has agreed to deliver to that firm five-year warrants to purchase 10,000 common shares, exercisable at 107% of the public offering price.

The company designs, manufactures and sells specialized electronic equipment including radar transponders, beacons, test equipment, telephone and telegraph terminal equipment, and magnetic core memory systems. Of the net proceeds of its sale of additional stock, the company will use \$100,000 for product improvement and development, \$150,000 to build an inventory of the company's standard line of memory system, and \$301,769 to pay bank notes; the balance will be used as additional working capital. In addition to indebtedness, the company has outstanding 390,375 common shares, of which Harold T. Sher, president, and Raymond F. Herter, secretary-treasurer, own 24.49% each. Each proposes to sell 20,000 shares of his holdings of 95,625 shares each.

SPERRY AND HUTCHINSON PROPOSES EXCHANGE OFFER. The Sperry and Hutchinson Company ("S & H"), 330 Madison Ave., New York 10017, filed a registration statement (File 2-29795) with the SEC on August 6 seeking registration of 540,874 shares of \$3 cumulative preference stock (convertible into 1.42 common shares). It is proposed to offer these shares in exchange for outstanding capital shares of The State National Bank of Connecticut, at the rate of one \$3 preference share for each 1.03 capital shares of Bank (after giving effect to the \$3 stock dividend payable on September 30). The offer is contingent upon exchange of at least 80% of Bank stock.

S & H is engaged primarily in furnishing a trading stamp service for retail merchants and their customers. In addition to preferred stock, the company has outstanding 10,627,729 common shares, of which William S. Beinecke, board chairman and chief executive officer, owns 3.92%; Edwin J. and Frederick W. Beinecke, directors 16.86% and 10.44%, respectively; and Beinecke family members and foundations of which they are directors or trustees own 70%.

TRADING TO RESUME IN ALSCO SECURITIES. The SEC today announced that the temporary suspension of exchange and over-the-counter trading in the securities of AlSCO, Inc., of New York City and Akron, Ohio, will be terminated on August 14, 1968. Accordingly, trading in the securities of this company, which includes the company's Class A common stock and 5-1/2% convertible subordinated debentures listed on the American Stock Exchange, may be resumed on Thursday, August 15, 1968.

Trading in the securities of AlSCO, Inc., was initially suspended by the Commission on July 31, 1968, pending clarification of information relating to developments concerning AlSCO's former management and its financial status. In announcing the lifting of the trading ban in AlSCO securities, the Commission invited the attention of investors and broker-dealers to a release issued by the company today, and the material disclosures contained therein concerning the company's affairs.

On August 7, 1968, a Federal Grand Jury returned an indictment against the company, Andrew L. Stone, its former president, a former director of the company, a corporate predecessor of the company's Techfab Division, and two other individuals, alleging that the defendants conspired to obtain approximately \$4 million by fraud in the production of rocket launchers for the Navy and filed false statements under statutes applicable to the rocket launcher contracts.

In April 1968, the company engaged its auditors, Touche, Ross, Bailey and Smart, to reexamine the financial statements of prior years on which the consent of the auditors to use their opinions had been withdrawn since the financial statements currently on file with the SEC may be materially inaccurate.

The Commission cautioned investors and broker-dealer firms to consider such information in connection with any future transactions in the company's shares. (For further details, see Release 34-8377).

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the securities of Cameo-Parkway Records, Inc. and Comstock-Keystone Mining Company for the further ten-day period August 11-20, 1968, inclusive.

SECURITIES ACT REGISTRATIONS. Effective August 8: Ashland Oil & Refining Co., 2-28555 (40 days); E. T. Barwick Industries, Inc., 2-29494 (90 days); Belscot Retailers, Inc., 2-29330 (Nov 6); Booth Computer Corp., 2-29590 (Sep 18); Milton Bradley Co., 2-29461 (Sep 17); Gateway Erectors, Inc., 2-29339 (90 days); Glen Alden Corp., 2-28737 (40 days); Goodbody & Co., and Bache & Co. Incorporate Sponsors of Municipal Investment Trust Fund, Series K, 2-29255, Greenbelt Consumer Services, Inc., 2-28977 (40 days); Gulf & Western Industries, Inc., 2-29640 (Sep 17); Harcourt Brace & World, Inc., 2-29473 (40 days); International Industries, Inc., 2-29336, Intertech Research Services, Inc., 2-28995 (90 days); LanvinCharles of the Ritz, Inc., 2-29000; LTV Aerospace Corp., 2-29367 (40 days); NMS Industries, Inc., 2-29143 (40 days); Omni Spectra, Inc., 2-29318; Pennsylvania Life Co., 2-29400; Real Estate Directors, Inc., 2-29166 (90 days); Wyle Laboratories, 2-29356 (Sep 11).

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.

---oooOooo---