

# 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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**DANVILLE AUTO AUCTION OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Danville Auto Auction, Inc., of Danville, Va. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to the public offering of securities in an amount not to exceed \$300,000. In a notification filed in October 1961, Danville Auto Auction proposed the public offering of 224,500 shares of Class A capital stock at \$1 per share and/or 489 10-year 6% callable convertible debenture bonds at \$500 per bond. In its suspension order, the Commission asserts that it has "reasonable cause to believe" that certain terms and conditions of Regulation A were not complied with and that the company's notification and offering circular included untrue statements of and omitted to state certain material facts with respect, among other things, to relationships between the issuer and its president, T. C. Baker.

**POST-SUSPENSION TRADING CLARIFIED.** The SEC today made public a policy statement by Irving M. Pollack, Director of its Division of Trading and Markets, relating to the post-suspension consummation of securities transactions entered into by brokers and dealers before the Commission's suspension of trading in the security pursuant to Section 15(c)(5) or Section 19(a)(4) of the Securities Exchange Act. The text of the statement reads:

"A number of questions have been presented recently as to whether, during the period when trading is suspended by order of the Commission pursuant to Section 15(c)(5) or Section 19(a)(4) of the Securities Exchange Act of 1934, a broker or dealer may complete (e.g., by payment or delivery) an agency or principal contract entered into prior to the suspension.

"It is the position of the Division that where the broker or dealer is himself acting in good faith, where he is not connected with the activity announced by the Commission as a basis for suspension pursuant to Section 15(c)(5) or Section 19(a)(4), and where he has no reason to believe that his customer is so connected, no objection need be raised under such sections because the broker-dealer completes his contractual obligations in the particular transaction (e.g., by payment or delivery) while the suspension is still in effect. The Division believes that in each such case, however, he should inform his customer, prior to consummating the transaction, that trading in the security is suspended and of the reasons announced by the Commission for suspending trading.

"A broker-dealer, in deciding whether to consummate such a transaction, must of course consider not only the provisions of Sections 15(c)(5) and 19(a)(4) but also all other applicable provisions of the Federal securities laws."

**MISSISSIPPI POWER FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15527) authorizing Mississippi Power Company, Gulfport, Miss., to offer and sell \$10,000,000 of first mortgage bonds, due 1996, at competitive bidding. Net proceeds of the bond sale will be used by the company to finance, in part, its 1966 construction program (estimated at \$22,313,000), to pay bank loans incurred for such purpose, and for other corporate purposes.

**FUME OF POPPIES PROPOSES OFFERING.** The Fume of Poppies Company, 1454 Broadway, New York, N. Y. 10019, filed a registration statement (File 2-25282) with the SEC on July 15 seeking registration of 50 units of limited partnership interests in the company, to be offered for sale at \$8050 per unit. The company is a limited partnership to be formed by Theodore J. Ritter to finance the motion picture "The Fume of Poppies," a dramatization of the novel of the same name by Jonathan Kozol. Ritter will be the general partner; limited partners will make the entire financial contribution for which they will receive 50% of any net profits. According to the prospectus, Ritter has been a co-producer of plays but has never produced a motion picture. The motion picture screenplay based on the novel has been written by John C. Thiele, the director.

**PACIFIC AIRMOTIVE PROPOSES OFFERING.** Pacific Airmotive Corporation, 2940 North Hollywood Way, Burbank, Calif. 91503, filed a registration statement (File 2-25283) with the SEC on July 15 seeking registration of \$3,000,000 of convertible subordinated debentures due 1981, to be offered for public sale through underwriters headed by Bateman Eichler, Hill Richards, of 453 South Spring St., Los Angeles, Calif. 90013. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of providing support services for the general aviation and commercial airline industries. Net proceeds of this financing will be added to its working capital primarily to carry increased inventories. In addition to indebtedness, the company has outstanding 851,418 shares of capital stock, of which management officials own 53.5%. John W. Myers, board chairman, and Donald C. McMillan, president, each owns 18% of the outstanding stock.

OVER

**KEYSTONE FUNDS SEEK ORDER.** Keystone Custodian Funds, Inc., as trustee of Keystone Custodian Fund Series B-3 and Series B-4, has applied to the SEC for an exemption order under the Investment Company Act; and the Commission has issued an order (Release IC-4650) giving interested persons until July 29 to request a hearing thereon. The application seeks an exemption from Section 17(a) of the Act with respect to the proposed transfer of substantially all of the assets of B-3 Fund to B-4 Fund in exchange for shares of the B-4 Fund having an aggregate net asset value equal to the value of the assets of B-3 Fund to be acquired by B-4 Fund.

**SWISS CHALET PROPOSES OFFERING.** Swiss Chalet, Inc., 105 San Diego Ave., San Juan, Puerto Rico 00911, filed a registration statement (File 2-25284) with the SEC on July 15 seeking registration of 70,000 shares of \$1 Cumulative Preferred Stock (\$15 par), with detachable warrants to purchase 70,000 common shares. The preferred stock (with warrants) is to be offered for public sale at \$15 per share through underwriters headed by P. W. Brooks & Co., Inc., of 120 Broadway, New York 10005, and Compania Financiera de Inversiones, Inc., of 1505 Ponce de Leon Ave., Santurce, Puerto Rico 00909, which will receive a commission of \$1.275 per share.

The company operates two hotels in San Juan, the Hotel Pierre (with adjacent Swiss Chalet Restaurant), which it owns, and the Hotel Da Vinci, which it operates under lease. Through subsidiaries it operates other restaurant and cafeteria facilities. A subsidiary West Indies Hotel Corp., is reconstructing and enlarging the Estate Carlton Hotel and Country Club on St. Croix, Virgin Islands, and it also has agreed to operate under lease a hotel to be constructed for it on St. Thomas, Virgin Islands. Net proceeds of this financing, together with the proceeds of a \$1,000,000 mortgage loan to be obtained by the West Indies subsidiaries, will be applied as follows: \$800,000 for expansion and modification of the facilities of the Hotel Pierre and Swiss Chalet Restaurant; \$1,000,000 for reconstructing and enlarging the Estate Carlton Hotel and Country Club; and the balance for working capital. In addition to indebtedness and preferred stock, the company has outstanding 534,082 common shares, of which management officials own 50.4%. Pierre U. Greber is president.

**BERKEY PHOTO PROPOSES OFFERING.** Berkey Photo, Inc., 842 Broadway, New York 10003, filed a registration statement (File 2-25285) with the SEC on July 15 seeking registration of \$10,000,000 of convertible subordinated debentures due 1986, to be offered for public sale through underwriters headed by Shearson, Hamill & Co., Inc., 14 Wall St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the processing of film, the importing and distributing of photographic equipment and supplies the operation of four major retail camera stores, and the manufacture of various types of photographic and related equipment. Net proceeds of this financing will be used to repay loans incurred in connection with the recent expansion of its business. In addition to indebtedness, the company has outstanding 2,180,913 common shares, of which management officials own about 26.4%. Benjamin Berkey, president, owns 19.6%.

**AIR PRODUCTS & CHEM. PROPOSES OFFERING.** Air Products and Chemicals, Inc., P. O. Box 538, Allentown, Pa., filed a registration statement (File 2-25286) with the SEC on July 15 seeking registration of 200,000 shares of \$1 par convertible preferred stock. The stock is to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 30 Wall St., New York. The dividend rate, public offering price (\$102 per share maximum\*), and underwriting terms are to be supplied by amendment.

The company is engaged in the production, transportation, storage and sale of industrial gases, the design, manufacture and sale of certain equipment (cryogenics); the manufacture or purchase and sale of cutting and welding equipment and supplies; the production and sale of certain catalysts and chemicals; and the development, licensing, sale and performance of services concerned with petroleum and chemical process technology, process plant construction, operation and maintenance. Net proceeds of its preferred stock sale will be added to the company's general funds, to be used, along with <sup>other</sup> corporate funds, for capital additions and improvements. In addition to indebtedness, the company has outstanding 4,375,804 common shares, of which management officials own 6.8%. Leonard P. Pool is president.

**DIGITAL EQUIPMENT FILES FOR OFFERING AND SECONDARY.** Digital Equipment Corporation, 146 Main St., Maynard, Mass. 01754, filed a registration statement (File 2-25291) with the SEC on July 18 seeking registration of 375,000 shares of common stock. Of this stock, 235,000 shares are to be offered for public sale by the company and 140,000 (being outstanding shares) by the present holder thereof. Lehman Brothers, One William St., New York 10004, is listed as the principal underwriter. The public offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures, sells and services electronic products and equipment, including digital computers, computer accessory equipment, modules, test equipment and other devices using digital techniques. Net proceeds of its sale of additional stock will be used to reduce the company's outstanding notes payable to banks and to pay in full a \$300,000 note held by American Research and Development Corporation. The balance of the proceeds, if any, will be added to working capital. In addition to indebtedness, the company has outstanding 2,675,000 common shares. American Research and Development, which was instrumental in organizing the company in 1957, owns 1,750,000 shares (65%). The selling stockholder, Harlan E. Anderson, former officer and director, proposes to sell 140,000 of his holdings of 193,500 shares. Kenneth H. Olsen is president.

**CENTURY BLVD. CORP. SECONDARY PROPOSED.** Century Boulevard Corporation, 411 North Seventh St., St. Louis, Mo., 63101, filed a registration statement (File 2-25287) with the SEC on July 15 seeking registration of 108,828 outstanding shares of common stock. Mississippi Valley Barge Line Company, of the St. Louis address, owns all of the 90,915 outstanding shares of common stock of Century Boulevard. It proposes to offer its shareholders the right to subscribe for Century Boulevard stock at the rate of one share of such stock for each 10 shares of Barge Line stock held of record at the close of business August 12. The 108,828 shares represents the maximum number of shares which would be offered if all of the Barge Line's convertible subordinated debentures due 1990 were converted prior to the record date. Century Boulevard will receive none of the proceeds unless more than 90,915 shares are subscribed for.

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Century Boulevard was organized under Nevada law on June 13, 1966, and merged with and succeeded to all of the assets of Mississippi Valley Realty Company, a wholly-owned subsidiary of Barga Line. It owns certain buildings and other improvements on Century Boulevard near the entrance to the Los Angeles International Airport, and has a ground lease on the land. James H. Clark, Jr., is president.

**FIRST ATLANTIC FUND FILES EXCHANGE PLAN.** First Atlantic Fund, Inc., One Atlantic Street, Stamford, Conn., filed a registration statement (File 2-25288) with the SEC on July 15 seeking registration of 40,000 shares of capital stock. The Fund proposes to offer the shares in exchange for substantial blocks of a "representative list of acceptable securities" set forth in its prospectus, and on the basis of one Fund share for each \$25 market value of securities deposited in acceptance of the exchange. R. S. Dickson & Company, Inc., will serve as the dealer manager. Dickson Research and Management Company, Inc., will manage the Fund and Philo Smith & Co., Inc., will serve as investment adviser. The Fund's president, J. Lewis Bibb, is a vice president and director of R. S. Dickson & Company.

**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 July 1 News Digest.

Ceco Corp		Miracle Mart, Inc	
June 1966 ( 12)	1-4514-2	June 1966 ( 2,9,11,13)	0-1360-2
Collins & Aikman		Natomas Co	
June 1966 ( 11,13)	1-205-2	June 1966 ( 7)	1-51-2
Mohawk Petroleum Corp		Allied Chemical Corp	
June 1966 ( 11)	2-5847-2	June 1966 ( 7)	1-1269-2
Amphenol Corp		Atlantic Research Corp	
June 1966 ( 4,13)	1-4158-2	June 1966 ( 12,13)	1-4257-2
D. C. Transit System, Inc		Avnet, Inc	
June 1966 ( 11)	1-4179-2	June 1966 ( 4,7,13)	1-4224-2
Commonwealth Tel. Co (Penna)		Continental Copper & Steel Ind., Inc	
June 1966 ( 7)	0-1094-2	June 1966 ( 7,8,13)	1-3604-2
Mosler Safe Co		Franklin Realty	
June 1966 ( 12,13)	1-4835-2	June 1966 ( 2,7,13)	0-1827-2
Mother's Cookie Co		National Co	
June 1966 ( 11)	0-509-2	June 1966 ( 9)	1-4369-2
Madway Main Line Homes, Inc		Belco Petroleum Corp	
June 1966 ( 3,5,12,13)	2-19898-2	June 1966 ( 2,13)	1-4642-2
Mead Corp		Brooks & Perkins Inc	
June 1966 ( 4,7,13)	1-2267-2	June 1966 ( 9,13)	0-15-2
New Haven Water Co		Delta Air Lines, Inc	
June 1966 ( 7,12,13)	0-717-2	June 1966 ( 4,7,8,13)	1-4047-2
Marrud Inc		Moog Inc	
June 1966 ( 2,3)	1-4981-2	June 1966 ( 7,13)	1-5129-2
Certain-Teed Products Corp		Old Equity Life Insur. Co	
June 1966 ( 11,13)	1-292-2	June 1966 ( 3)	2-23325-2
Eckerd Drugs of Florida, Inc		Berkey Photo, Inc	
June 1966 ( 11,13)	1-4844-2	June 1966 ( 4,7,13)	1-4485-2
Horace Mann Life Insur. Co		Campbell Machine Inc	
Maxson Electronics Corp		June 1966 ( 11,12,13)	1-4577-2
June 1966 ( 7,8,13)	1-4843-2	Culligan, Inc	
		June 1966 ( 12)	0-1785-2
		Metromedia, Inc	
		June 1966 ( 12,13)	1-4649-2

**SECURITIES ACT REGISTRATIONS.** Effective July 18: The Kansai Electric Power Company, Inc., 2-25112 (Aug 27); United Utilities, Inc., 2-25163 (40 days); Wean Industries, Inc., 2-25162 (Oct 16).  
Effective July 19: Josten Growth Fund, Inc., 2-24652; Spertl Drug Corp., 2-24715 (Oct 17).

**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.