

# 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)

(Issue No. 67-166)

FOR RELEASE August 29, 1967

**STAUFFER OVERSEAS CAPITAL SEEKS ORDER.** Stauffer Overseas Capital Corporation ("applicant"), New York, New York, has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-5065) giving interested persons until September 14 to request a hearing thereon.

Applicant was organized by Stauffer Chemical Company to raise funds abroad for financing the expansion of Stauffer's foreign operations, while at the same time supporting the balance of payments position of the United States in compliance with the voluntary cooperation program instituted by the President in February 1965. All of the outstanding securities of applicant consists of 300,000 shares of common stock, of which 10 shares have been purchased for \$1,000 and are held by Stauffer. All stock issued by applicant will be held by Stauffer and Stauffer may in the future make additional capital contributions to applicant. Applicant intends to issue its notes with a maturity of five years for the equivalent in foreign currency of about \$5,000,000, to be guaranteed by Stauffer. Other debt securities may be issued by applicant from time to time as funds are required for investment in Stauffer's foreign operations, and such securities may be sold privately or publicly outside the United States. Upon completion of the long-term investment of applicant's assets, substantially all of its assets will be invested in or loaned to foreign companies which are engaged in businesses other than investment companies.

**TWO FUNDS SEEK ORDERS.** The SEC has issued orders under the Investment Company Act giving interested persons until September 18 to request hearings upon applications of the following for orders declaring that they have ceased to be investment companies:

Buttonwood Capital Corp., New York (Release IC-5069)

Institutional Exchange Fund, Inc., New York (Release IC-5070)

According to the applications (a) Buttonwood Capital shareholders on February 3 adopted a plan for its liquidation and dissolution and its assets are being distributed pro rata to its shareholders; and

(2) Institutional Exchange Fund's single stockholder has approved its dissolution.

**CONSOLIDATED NATURAL GAS SEEKS ORDER.** Consolidated Natural Gas Company, New York holding company, has joined with four of its subsidiaries in the filing of a proposal for the extension of the maturity of bank notes and other related matters; and the Commission has issued an order (Release 35-15831) giving interested persons until October 2 to request a hearing thereon. Consolidated proposes to extend for two years the maturities on \$20,000,000 of 6% short-term construction bank notes issued pursuant to a prior order of the Commission; and the four subsidiaries propose to extend to October 25, 1969, the maturity of \$20,000,000 of open-account advances for construction made by Consolidated. In addition, Consolidated proposes to lend an additional \$1,500,000 to one of the subsidiaries for the propose of financing its plant construction expenditures.

**CONNECTICUT L & P SEEKS ORDER.** The Connecticut Light and Power Company, Hartford subsidiary of Northeast Utilities, has joined with its subsidiary, The Connecticut Gas Company, in the filing of a proposal with the SEC whereby Connecticut L & P will purchase an additional \$250,000 of long-term notes of Connecticut Gas, which will use the funds for capital requirements; and the Commission has issued an order (Release 35-15832) giving interested persons until September 21 to request a hearing thereon.

**LOUISIANA POWER FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15833) authorizing Louisiana Power & Light Company (New Orleans) to issue and sell at competitive bidding \$18,000,000 of first mortgage bonds, due 1997, and 80,000 shares of \$100 par preferred stock. Net proceeds of this financing will be applied to the payment of short-term bank loans and to the company's 1967 construction program.

**STATE ST. INVESTMENT SEEKS ORDER.** State Street Investment Corporation, Boston mutual fund, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of the assets of Allmac, Inc.; and the Commission has issued an order (Release IC-5071) giving interested persons until September 13 to request a hearing thereon. Allmac is a personal holding company all of whose outstanding stock is owned by two individuals and whose assets approximated \$224,539 on July 24. State Street Investment proposes to acquire substantially all of Allmac's assets through the issuance of its shares at their net asset value (subject to certain adjustments).

**INDICTMENT RETURNED IN SALE OF HERCULES GALION STOCK.** The SEC New York Regional Office announced August 23 (Litigation Release 3792) the return of a Federal court indictment (USDC SDNY) charging sixteen persons with violations of the anti-fraud and anti-manipulative provisions of the Federal securities laws in connection with their transactions in the stock of Hercules Galion Products, Inc., as follows: Irving Projansky (board chairman of First National Bank of Lincolnwood, Ill.) and Harry Brainin, directors of Hercules and director and president, respectively, of Argus Capital Corporation, of Chicago; Arthur Keller, former president of the Bank; Mark Rolland; Gerald Leavitt; Spero Furla; Michael Geier; Murray Peltz; Edward Wetzal; Burton Buddy Kozak; Harris Nagorsky; Herbert Werman; Zafe Zafer; David Zisfein;

OVER

Stuart Projansky; and Fred Weitz. Named as co-conspirators but not defendants were Morris Childs, Eva Childs, George Georges, the late Irving Taub, the Bank and Argus.

**DELTONA FILES EXCHANGE PLAN.** The Deltona Corporation, 3250 S. W. Third Avenue, Miami, Fla., filed a registration statement (File 2-27157) with the SEC on August 25 seeking registration of \$9,450,000 of 6% Subordinated Debentures, due serially 1977, 1978 and 1979, together with 105,000 warrants for the purchase of 105,000 common shares. The company proposes to offer its common stockholders the opportunity to exchange up to 502,448 common shares at the rate of one share so tendered in exchange for \$18 principal amount of the debentures plus 1/5th of a warrant for the purchase of 1/5th of a share of common stock (which with 4 additional 1/5th warrants will constitute a full warrant exercisable for five years for the purchase of a share of common stock at a price of \$20). The company now has outstanding 1,296,295 common shares; and it may, in its discretion, accept in excess of 502,448 shares under the exchange offer, but in no event shall the total accepted exceed 525,000 shares. According to the prospectus, Norman K. Winston, board chairman, has agreed to tender 100,000 shares owned by him and/or his wife.

The company is engaged in various phases of the real estate business. According to its prospectus, the exchange offer will permit shareholders who desire to obtain income from their investment in the Company to do so, and alternatively permit shareholders to whom income is not as important to have an increased equity participation in the Company and thus seek possible capital gains. Management officials own some 40% of the outstanding stock (including the holdings of Winston); The Mackle Company, Inc., of Miami, 22.48%; and Francis I. DuPont & Co. holds of record only 11.59%.

**MAGNOLIA METAL FILES FINANCING PROPOSAL.** Magnolia Metal Corporation, Auburn, Nebraska 68305, filed a registration statement (File 2-27158) with the SEC on August 28 seeking registration of \$800,000 of 6½% subordinated debentures, Series A, due 1987, with warrants for the purchase of 40,000 shares of Magnolia common stock, together with 96,000 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of \$100 principal amount of debentures (with a warrant for the purchase of 5 common shares) and 12 common shares. The securities are to be offered for public sale through underwriters headed by First Nebraska Securities Corporation, of 1001 "O" St., Lincoln, Nebr.

Magnolia was organized on August 15 as M.M.C., Inc.; and in October it proposes to adopt the name "Magnolia Metal Corporation" and to acquire all of the capital stock (and by subsequent liquidation, all of the assets, liabilities and business) of Magnolia Metal Company, Inc. Whereupon, it will engage in the manufacture and sale of bronze bearings, bushings and other replacement parts for a wide range of industrial machinery and in the refining and sale of babbitt metals. The company owns or will own 36% of the outstanding stock of Dens Metals (Dundee) Ltd., of Dundee, Scotland, a small manufacturer of continuous cast bronze tubing and bar stock for which the company acts as exclusive distributor in the United States. Stock of the predecessor company was owned by six individuals, including Pierce A. Koslosky, president, and two other management officials; and funds used (or to be used) in the purchase of such stock were derived from the company's sale to certain investors of 100,000 shares of common stock for \$100,000 and \$144,000 of non-interest bearing promissory notes. In addition, certain of these investors arranged an interim bank loan of \$1,980,000. The interim bank loan and investors loan, aggregating \$2,134,000 are to be repaid out of the proceeds of the securities being registered; the balance of the net proceeds will be added to the general funds of the company. According to the prospectus, upon sale of the stock being registered, the original investors will own 51% of the total number of shares of common stock then outstanding, for which they will have paid \$100,000 or 11.5% of the total purchase price paid for all shares then outstanding.

**FIRST CHURCH FINANCING PROPOSES OFFERING.** First Church Financing Corporation of America, 215 North Main St., West Bend, Wisconsin, filed a registration statement (File 2-27159) with the SEC on August 28 seeking registration of \$2,600,000 of collateral trust serial bonds, to be offered for public sale at 100% of principal amount. The offering is to be made by B. C. Ziegler and Company of West Bend, Wisconsin 53095, which will receive a 1½% commission.

The company was organized in February 1964 for the primary purpose of financing loans to churches, hospitals and other charitable, religious, eleemosynary and non-profit institutions. Its sources of income are the discount on the purchases of first mortgage notes, first mortgage bonds and direct obligation notes forming the collateral pledged as security of the bonds, and the differential, if any, between the amount of interest received by the company on the securities forming part of the collateral and the interest on its bonds. Net proceeds of the sale of bonds by the company will be used to purchase from B. C. Ziegler and Company the collateral for the bonds, and the balance will be used to establish a 2% reserve fund for interest payments in the amount of \$52,000 which is additional security for the bonds. Thomas J. Kenny is president and a director of the company, which is a subsidiary of The Security Company, of West Bend. The directors of the company are also directors of the parent and, with the exception of Bernard C. Ziegler, are also directors of the underwriter.

**SALE OF INTERAMERICAN INDUSTRIES STOCK ENJOINED.** The SEC New York Regional Office announced August 18 (Litigation Release 3793) the entry of a Federal court order (USDC SDNY) preliminarily enjoining violations of the Securities Act registration requirements by Interamerican Industries, Inc., an Alberta corporation, Trust Company of the Americas, S. A., a Panamanian corporation, and Oscar L. Hausner of White Plains, New York, in the sale of Interamerican Industries stock. The defendants consented to the court order

**JERSEY CENTRAL P & L BOND OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15834) authorizing Jersey Central Power & Light Company (Morristown) to issue and sell at competitive bidding \$30,000,000 of first mortgage bonds, due 1997. Net proceeds of the sale of the bonds will be employed by the company to finance its business as a public utility, including the payment of some \$28,000,000 of short-term bank loans the proceeds of which were utilized for construction purposes.

**COLUMBIA GAS SUBSIDIARIES TO MERGE.** The SEC has issued an order under the Holding Company Act (Release 35-15835) approving the merger of Blue Ridge Gas Company into Virginia Gas Distribution Corporation. Both are subsidiaries of The Columbia Gas System, Inc., New York holding company; and they are engaged in the retail sale and distribution of natural gas within their respective service areas in Virginia. Virginia Gas has approximately 33,400 customers and Blue Ridge approximately 1,100 customers. Each company purchases its total gas supply from Atlantic Seaboard Corporation ("Seaboard"), an associate company, at delivery points in Virginia.

**MET-ED DEBENTURE OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15836) 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.

**NICHOLLS CO. SUSPENSION ADVANCED.** At the request of L. E. Nicholls Co., and its president, Leigh E. Nicholls, of Spokane, Wash., the Commission has advanced the effective date of the ten-day suspension of the firm's broker-dealer registration and of the association of Nicholls with a broker or dealer and from the Spokane Stock Exchange, so that the suspension will commence at the opening of business September 5 (for details see News Digest of August 18).

**LEVIN-TOWNSEND COMPUTER PROPOSES OFFERING.** Levin-Townsend Computer Corporation, 44<sup>5</sup> Park Ave., New York, N. Y., filed a registration statement (File 2-27160) with the SEC on August 28 seeking registration of \$25,000,000 of convertible senior subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005; the interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of leasing electronic data processing equipment, including general and special purpose computers, peripheral data processing equipment, input and output devices and related communications devices, substantially all of which is manufactured by International Business Machine Corp. Net proceeds of this financing will be used primarily for the acquisition of IBM System/360 computer systems and other equipment to be leased to others. In addition to indebtedness, the company now has outstanding 1,248,886 common shares, of which Howard S. Levin, president, and James E. Townsend, executive vice-president, own 18.5% and 13.8%, respectively.

**THREE TRADING BANS CONTINUED.** The SEC has issued orders suspending trading in securities of Roto-American Corporation, S & P National Corporation and Steel Crest Homes, Inc., for a further ten-day period, August 30 to September 8, 1967, inclusive.

**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 August 2 News Digest.

|  |           |                                   |          |
|--|-----------|-----------------------------------|----------|
| Commercial Shearing & Stamping Co          |           | Therm-O-Disc Inc                  |          |
| June 67 (4,7,13)                           | 0-588-2   | Jul 67 (11,13)                    | 0-1723-2 |
| Denver & Rio Grande Western RR Co          |           | Virco Mfg Corp                    |          |
| June 67 & Jul 67 (7,8,9)                   | 1-1129-2  | Jul 67 (2,4,7,12,13)              | 0-1353-2 |
| Holly Oil Co Aug 67 (12)                   | 1-4343-2  | Wilson Brothers                   |          |
| Parkview Gem Inc                           |           | Jul 67 (4,13)                     | 1-3329-2 |
| June 67 (7,13)                             | 0-9-2     | Bangor Punta Corp                 |          |
| Polaroid Corp Aug 67 (13)                  | 1-4085-2  | Amd #1 to 8K for June 67 (2,7,12) | 1-4972-2 |
| Polychrome Corp                            |           | Barth Spencer Corp                |          |
| Aug 66 (7,13)                              | 1-4736-2  | Amd #1 to 8K for Jun 67 (12)      | 1-5261-2 |
| Raymond Engineering Laboratory Inc         |           | Cerro Corp                        |          |
| Aug 67 (7)                                 | 0-551-2   | Amd #1 to 8K for Mar 67 (13)      | 1-1518-2 |
| Revlon Inc Aug 67 (12)                     | 1-4020-2  | Silicon Transistor Corp           |          |
| Ripley Industries Inc & Jomar Plastics Inc |           | Amd #1 to 8K for Mar 67 (2)       | 1-4483-2 |
| Jul 67 (2,4,13)                            | 2-19233-2 | Summit National Holding Co        |          |
| Seneca Falls Machine Co                    |           | Amd #1 to 8K for Mar 66 (13)      | 0-582-2  |
| Jul 67 (8,13)                              | 0-276-2   | Texas Oil Gas Corp                |          |
| Sperry Rand Corp                           |           | Amd #1 to 8K for Jul 67 (13)      | 1-4995-2 |
| Jul 67 (11,13)                             | 1-3908-2  |                                   |          |
| Southern Airways Inc                       |           |                                   |          |
| Jul 67 (7)                                 | 0-842-2   |                                   |          |
| Stanray Corp                               |           |                                   |          |
| Jul 67 (12)                                | 1-3613-2  |                                   |          |

| <u>File No.</u> | <u>O- Registrant</u>                       | <u>Location</u>     |
|-----------------|--|---------------------|
| 2751            | American Hospital Management Corp          | Los Angeles, Calif. |
| 2739            | Anaheim Union Water Co                     | Anaheim, Calif.     |
| 2733            | Aztec Mfg. Co                              | Fort Worth, Texas   |
| 2732            | C. S. S. Corporation                       | Huron, South Dakota |
| 2738            | Federated Publications, Inc                | Battle Creek, Mich. |
| 2737            | Florida Tile Industries, Inc               | Lakeland, Fla.      |
| 2736            | Lawyers Financial Corp                     | Sacramento, Calif.  |
| 2744            | Mira-Pak, Inc                              | Houston, Texas      |
| 2743            | Natl. Patent Development Corp              | New York, New York  |
| 2745            | Northwestern Co                            | Seattle, Wash.      |
| 2769            | William Penn Racing Assoc.**               | Phila. Penna.       |
| 2746            | Safeguard Business Systems, Inc.           | Lansdale, Penna.    |
| 2741            | St. John D'El Rey Mining Company Ltd.      | Cleveland, Ohio     |
| 2742            | Town Centre, Ltd                           | Davenport, Iowa     |
| 2740            | Universal Publishing & Distributing Corp** | New York, N.Y.      |
| 2735            | William Volker & Co                        | Burlingame, Calif.  |
| 2798            | Win-Chek Industries, Inc**                 | Moonachie, N.J.     |

SECURITIES ACT REGISTRATIONS: Effective August 25: General Numismatics Corporation, 2-26819 (40 days) Diamond Crystal Salt Company, 2-26942 (40 days); Effective August 28: Domestic Air Express, Inc. 2-26498 (90 days); Federal Petroleum, Inc. 2-26715 (90 days); Fansteel Metallurgical Corporation 2-26934.

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---