

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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TELEPHONE COMPANY EXEMPTION REQUEST WITHDRAWN. The SEC today announced the issuance of an order permitting withdrawal of an application filed by Skagit Valley Telephone Company, Mt. Vernon, Wash., for exemption from the registration provisions of Section 12(g) of the Securities Exchange Act of 1934. Proceedings on the question whether the application should be granted or denied were discontinued.

The exemption application was filed in July 1965. In December 1965, the Commission filed a Federal court action to enjoin Skagit and others from violating the registration and anti-fraud provisions of the Federal securities laws. The complaint in that action alleged that Telephones, Inc., was engaged in purchasing Skagit stock at \$300 per share while collaborating with Skagit's management to conceal higher offers for the stock by other companies. That action resulted in a temporary injunction against Telephones, Inc., a permanent injunction against Skagit and all other defendants, as well as the deposit of \$394,465 for the purpose of making restitution to former Skagit stockholders who had accepted the \$300 offer of Telephones, Inc.

According to Skagit, as a result of tender offers by Telephones, Inc., and its successor, Continental Telephone Corporation, Skagit on October 31, 1966, had only 290 stockholders (of these the whereabouts of all but 46 were unknown). On December 31, 1966, Skagit was merged into Washington Telephone Company, a subsidiary of Continental Telephone Corporation.

FEDERAL SHOPPING WAY ENJOINED. The SEC Seattle Regional Office announced October 13 (LR-3827) the entry of a Federal court order (USDC Seattle) preliminarily enjoining Federal Shopping Way, Inc., a Washington corporation, and J. R. Cissna, from further violations of the anti-fraud provisions of the Federal securities act in connection with the sale of investment contracts and interests in profit-sharing agreements providing for the sale by Federal Shopping Way, Inc., of fractional undivided interests in a tract of real property located in the Federal Way, Washington Area. The court appointed Cleve A. Redig as receiver, while action is pending in the case. Defendants have indicated their intention to appeal the decree of injunction and order appointing the receiver.

THREE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Continental Vending Machine Corporation, Pakco Companies, Inc., and Westec Corporation, for the further ten-day period October 20-29, 1967, inclusive.

FUNDAMERICAN TRUSTEED DEREGISTERED. The SEC has issued an order under the Investment Company Act (Release IC-5131) declaring that Fundamerican Trusteed Certificates, New York, has ceased to be an investment company and that its registration as such is no longer in effect.

TAX EXEMPT FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5132) declaring that The Tax Exempt Bond Fund, Inc. of Washington, D. C., has ceased to be an investment company and that its registration as such is no longer in effect.

SELECTIVE GROWTH FUND REGISTRATION TERMINATED. The SEC has issued an order under the Investment Company Act (Release IC-5133) declaring on its own motion that Selective Growth Fund, Inc., Newark, N. J., has ceased to be an investment company and that its registration as such is no longer in effect.

HYDRO-SKI INTERNATIONAL PROPOSES OFFERING. Hydro-Ski International Corporation, Dupont Plaza Center, 300 Biscayne Blvd. Way, Miami, Fla. 33131, filed a registration statement (File 2-27492) with the SEC on October 17 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$2.00 per share. The offering is to be made through company representatives and NASD members (for which the latter will receive a 20c commission).

The company was organized under Delaware law on July 14, 1967, for the purpose of designing, manufacturing and selling boats, utilizing a "Hydro-Ski" system patented by Lockheed Aircraft Corporation. Net proceeds of its stock sale will be used for general corporate purposes, including the construction of a hull mold, molding hull and completing one demonstration boat, advertising and promotion, and working capital. In addition to indebtedness, the company has outstanding 700,500 common shares, of which management officials own 66.2% (including 28.5% each owned by Norman Yasner, president, and Herbert H. Johnson, board chairman). If a minimum of 125,000 shares are sold, the company will issue to participating securities dealers warrants evidencing the right to purchase an aggregate of 50,000 common shares, exercisable at 10c per share. The warrants are to be issued at the rate of one warrant for each five shares sold by a participating dealer. If all of the 250,000 shares are sold, the public will have paid \$500,000 for 26.2% of the then outstanding stock, while present stockholders will have contributed to the company the exclusive license obtained from Lockheed and \$50,000 cash for 73.8% of the stock to be outstanding.

OVER

FELSWAY SHOE FILES FOR OFFERING AND SECONDARY. The Felsway Shoe Corporation, 75 Ninth Ave., New York 10011, filed a registration statement (File 2-27495) with the SEC on October 18 seeking registration of 300,000 shares of common stock. Of this stock, 150,000 shares are to be offered for public sale by the company and 150,000 (being outstanding shares) by the present holders thereof. The public offering price (\$10.50 per share maximum*) and underwriting terms are to be supplied by amendment. Blair & Co., Inc., 20 Broad St., New York 10005 is listed as the principal underwriter. The company has agreed to sell to the underwriter, for \$1,000, a four-year option to purchase an aggregate of 10,000 common shares.

The company is engaged in the retail shoe business. Net proceeds of its sale of additional shares will be added to general funds to be available for the opening of additional stores, special inventory purchases, the costs of acquiring locations presently operated by others, working capital, and other corporate purposes. In addition to indebtedness, the company has outstanding 610,000 shares of common stock, of which management officials own 95.6%. The prospectus lists four selling stockholders. Lionel M. Levey (president) proposes to sell 45,000 of his holdings of 343,435 shares, Selma Levey, 100,000 of 239,490, Carol Greene, 4,000 of 11,685, and Richard Greene, 1,000 of 3,990 shares.

TECHNICAL ANIMATIONS FILES FOR OFFERING. Technical Animations, Inc., 16 Sintsink Drive East, Port Washington, New York, filed a registration statement (File 2-27496) with the SEC on October 18 seeking registration of 457,357 outstanding shares of Class A common stock. The shares are to be offered for public sale by the present holders thereof in the over-the-counter market, at prices prevailing at the time of sale (\$5.00 per share maximum*).

The company is engaged in the design and manufacture of devices which add apparent animation or motion to still pictures on transparencies (including 35 mm slides) and occasionally on other surfaces, which are used in education, technical training, advertising and sales promotion. In addition to indebtedness, the company has outstanding 1,461,067 Class A shares, of which management officials own 5.76%. Isadore A. Cohn is president. The prospectus lists 40 selling stockholders. Pequot Capital Corporation and the Corporate Investment Company propose to sell all of their holdings of 168,000 and 60,000 shares, respectively, and the Cosmos Imperial Mills Limited, 40,500 of 74,000 shares held; the others propose to sell shares ranging in amount from 300 to 28,000 shares.

ELECTRONIC ASSISTANCE FILES EXCHANGE PROPOSAL. Electronic Assistance Corporation, 20 Bridge Ave., Red Bank, N. J., filed a registration statement (File 2-27497) with the SEC on October 18 seeking registration of 70,000 shares of common stock. Pursuant to an agreement with shareholders of all the stock of Interstate Manufacturing Company, the 70,000 shares are to be issued in exchange for all of the shares of Interstate.

Electronic Assistance is engaged in the design, engineering, manufacture and sale of electronic equipment for military and commercial use and builders' hardware for use in the combination storm and screen door industry. In addition to indebtedness, it has outstanding 1,548,069 common shares, of which management officials own 15.5% (including 13.6% owned by Robert Edwards, board chairman and president). Interstate Manufacturing's business consists principally of precision manufacturing and machining of parts, sub-assemblies and complete machine tools within the medium heavy duty class, the design and manufacture of special machinery, tool design, tool manufacturing, prototype and model work to customers' requirements. It also manufactures heavy machine tools and accessories.

PURITAN FUND SEEKS ORDER. Puritan Fund, Inc., Boston, has applied to the SEC for a further exemption order under the Investment Company Act with respect to its proposal to issue its shares at net asset value for substantially all of the assets of Chautauqua Cabinet Company, a New York corporation; and the Commission has issued an order (Release IC-5135) giving interested persons until November 3 to request a hearing thereon. By order dated May 25, the Commission granted an exemption application with respect to such proposal, but consummation thereof before the June 19 closing date was not possible because a ruling from the Internal Revenue Service had not been obtained. The present application seeks an exemption covering the same transaction, but with a new closing date.

SECURITIES ACT REGISTRATIONS. Effective October 18: Belden & Blake & Co. Ltd., Partnership, 2-27457; Dayton Corp., 2-27288 (90 days); Giddings & Lewis, Inc., 2-27289 (40 days); Green Mountain Power Corp., 2-27300 (Jan 27); Nytronics, Inc., 2-27329 (40 days); Pennsylvania Electric Co., 2-27228; Tektronix, Inc., 2-27347; Texas Angus Leasing Corp., 2-27102 (Jan 15).
Withdrawn October 17: Platinum Oil Co., Inc., 2-26254.

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.