

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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K. A. ELECTRONICS FILES FOR SECONDARY. K. A. Electronics Corp., 397 7th Ave., Brooklyn, N. Y. 11215, filed a registration statement (File 2-27761) with the SEC on November 29 seeking registration of 200,000 common stock purchase warrants, exercisable at \$1.125 per share, the common shares issuable upon exercise thereof, and 56,000 outstanding shares of common stock. The warrants (or the common shares issuable upon the exercise thereof) and the outstanding common shares are to be offered by the present holders thereof from time to time on the over-the-counter market at prices prevailing at the time of sale (\$3.40 per common share maximum*).

The company is engaged in the sale of radio and TV electronic tubes and special purpose and industrial electronic tubes, and it acts as a sales agent or a distributor of certain electronic devices, radios, recorders, electronic measuring devices, telemetry systems, transformers, circuit breakers and electric motors produced by foreign manufacturers. Net proceeds of its sale of stock upon exercise of the warrants will be added to general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 598,500 common shares, of which management officials own 35.5%. Moe J. Kammer is president. The prospectus lists 32 selling security holders. Kenneth Kass (a broker-dealer) proposes to offer all of his holdings of 28,000 shares, Moe J. Kammer (president), 10,000 of 100,325, and William W. Weiss (vice president), 5,500 of 56,666 shares; the others propose to sell shares ranging in amount from 2,500 to 5,500 shares. The 200,000 warrants being registered were issued in connection with the private sale by the company of \$150,000 of its 6-1/2% five-year registered debenture notes on September 1, 1967.

F&B/CECO INDUSTRIES PROPOSES DEBENTURE OFFERING. F&B/Ceco Industries, Inc., 315 W. 43rd St., New York 10036, filed a registration statement (File 2-27762) with the SEC on November 29 seeking registration of \$2,500,000 of convertible subordinated debentures, due 1987. The debentures are to be offered for public sale (at 100% of principal amount) through underwriters headed by Bregman, Cummings & Co., 4 Albany St., New York 10006, which will receive a 7.5% commission. The company has agreed to sell to the underwriter, for \$250, 25,000 common stock purchase warrants and to pay to the underwriter \$20,000 for expenses.

The company is in the business of manufacturing, selling, renting and servicing camera and photographic equipment for the professional motion picture industry and other producers of motion pictures. Net proceeds of its sale of debentures will be used to pay short-term indebtedness incurred for the purpose of financing inventories and carrying accounts receivable, and to increase present inventories of both rental equipment and sales products; the balance will be added to working capital and used for general corporate purposes, including possible further expansion through the acquisition of companies in areas related to the motion picture industry. In addition to indebtedness and preferred stock, the company has outstanding 748,044 common shares, of which management officials own 71.9% (including 25% each owned by Arthur Florman, president, and John Babb, executive vice president, and 6.7% by Robert B. Bregman, board chairman).

SPERTI DRUG FILES FOR SECONDARY. Sperti Drug Corporation, One Sperti Drive, Ft. Mitchell, Ky., filed a registration statement (File 2-27763) with the SEC on November 29 seeking registration of 3,575 shares of common stock. The shares may be offered for public sale by the present holders thereof from time to time in the over-the-counter market at prices prevailing at the time of sale (\$21.00 per share maximum*).

The company was organized on December 13, 1965 by Sperti Products, Inc. ("Products"). It is engaged in the manufacture, marketing and licensing of drug products. In addition to indebtedness, it has outstanding 500,000 common shares, of which Products owns 40% and management officials, 0.7%. Ray L. Sperber is president. The prospectus lists two selling stockholders. Burrough Bros. Mfg. Co. Inc. proposes to sell 3,200 shares and Norton W. Mailman, 375 shares. Such shares are to be issued to them by the company in December 1967 as partial consideration for all the outstanding capital stock of Burrough Bros. Pharmaceuticals, Inc.

PLANET OIL AND MINERAL PROPOSES OFFERING. Planet Oil and Mineral Corporation, 730 Fidelity Union Tower, Dallas, Tex. 75201, filed a registration statement (File 2-27765) with the SEC on November 29 seeking registration of 500,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Allen & Co., 30 Broad St., New York. The public offering price (\$10.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized to explore for, produce and market oil, gas and other minerals. Net proceeds of its stock sale will be used in connection with the company's exploratory operations and expenses for two projects, namely, its Mauritanian Project in Africa and its Nuclear Stimulation Project in Rocky Mountain region of western United States. In addition to indebtedness, the company has outstanding 600,000 common shares, of which Frank A. Schultz (president) and Herbert Allen and Richard Klehe (both directors), 25%, 24% and 12.5%, respectively. Upon completion of this offering, the present stockholders will own 600,000 shares, for which they will have paid \$600,000, and the public will own 500,000 shares, for which they will have paid \$5,000,000.

OVER

LARIBEE WIRE FILES FOR SECONDARY. Laríbee Wire, Inc., 27 Harden Blvd., Camden, N. Y. 13316, filed a registration statement (File 2-27766) with the SEC on November 29 seeking registration of 280,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by H. L. Federman & Co. Inc., 50 Broadway, New York 10004. The public offering price (\$10.00 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell 25,000 three-year common stock purchase warrants to the underwriter for \$250.

The company is engaged in the fabrication of uninsulated copper wire and cable. In addition to indebtedness, it has outstanding 700,000 common shares, all held by Kenrich Corporation, which proposes to sell 280,000 shares. In September 1967, Kenrich transferred certain assets and liabilities of its Laríbee Wire Division to the company in exchange for the 700,000 shares. Lewis Myers is president and Hermann Rogge is board chairman of Laríbee Wire.

P & F INDUSTRIES FILES FOR OFFERING AND SECONDARY. P & F Industries, Inc., Robbins Lane, Syosset, N. Y. filed a registration statement (File 2-27767) with the SEC on November 29 seeking registration of 625,000 shares of Class A common stock. Of this stock, 500,000 shares are to be offered for public sale by the company and 125,000 (being outstanding shares) by the present holders thereof. The public offering price (\$14.00 per share maximum*) and underwriting terms are to be supplied by amendment. Auchincloss, Parker & Redpath, 2 Broadway, New York 10004 is listed as the principal underwriter.

The company is engaged in a number of related manufacturing and engineering operations. Of the net proceeds of its sale of additional stock, \$3,000,000 will be used to purchase the outstanding stock of National Fence Manufacturing Co., Inc., \$2,000,000 for expansion and improvement of the company's manufacturing facilities at Torrance, Calif. and for additions to working capital which will be available for general corporate purposes, and \$1,000,000 for additional facilities and working capital at a new pipe mill in Hardin County, Tenn. In addition to indebtedness and preferred stock, the company has outstanding 1,366,630 Class A common shares and 1,373,545 Class B common shares; management officials own 33.3% of the Class A common and 54.2% of the Class B common. The prospectus lists eleven selling stockholders. Sidney Horowitz (president) proposes to sell 50,000 of his holdings of 658,501 Class A shares, Charles A. Babbit (vice president), 15,000 of 77,075, and Jack Nelson (board chairman), Stanley Horowitz (vice president) and Sylvia C. Horowitz each propose to sell 10,000 of holdings of 99,425, 227,690, and 184,642 shares, respectively; the others propose to sell 5,000 shares each.

MASS. INVESTORS ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-5181) permitting Massachusetts Investors Trust, of Boston, to acquire substantially all of the assets of Nela Alpha Investing Company through the issuance of Trust shares at their net asset value.

UNIT TRUST SEEKS ORDER. Plans for the Accumulation of Shares of Securities Fund, Inc., Philadelphia unit investment trust, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-5178) giving interested persons until December 21 to request a hearing thereon. According to the application, no Plans were sold after March 1964; in 1965, twelve individuals owned the 15 Plans then outstanding; since then one person completed his Plan and the Plan was terminated.

PACIFIC INDUSTRIES SEEKS ORDER. Pacific Industries, Inc., of San Francisco, Bell Intercontinental Corporation, of New York, and two individuals have joined in the filing of an application with the SEC for an exemption order under the Investment Company Act with respect to an agreement among them relating to the common stock of Pacific; and the Commission has issued an order (Release IC-5179) giving interested persons until December 21 to request a hearing thereon. According to the application, The Equity Corporation, a registered investment company, owns 51.72% of the outstanding common stock of Bell; Bell owns 64.07% of the common stock and 5% of the convertible preferred stock of Pacific. Samuel W. Block owns 5.37% of the Pacific stock; and on the date of the agreement, March 2, 1966, he was a vice president, director and employee of Pacific. Martin N. Graham on the agreement date also was a Pacific employee; both are presently employees of Pacific, although Block has resigned his other positions. The March 1966 agreement was negotiated to eliminate the possibility of litigation resulting from the dissatisfaction of Block over a 1961 transaction by which Pacific acquired all the issued and outstanding stock of Reliable Steel Supply Company from Block, Graham and their associates in exchange for 140,000 shares of Pacific stock. Under the agreement, (1) Pacific has granted to Block an exclusive, irrevocable option to sell to Pacific, for a thirty-day period commencing March 2, 1969, all or any part of the 102,669 shares of Pacific common stock owned by Block at a price of \$10 per share; (2) Pacific has granted the identical option to Graham with respect to all or any part of the 37,331 shares of Pacific common stock owned by Graham; (3) Block has granted to Pacific an exclusive, irrevocable option to purchase from Block, during the three-year period commencing on March 2, 1966, all or any part of the 82,135 shares of Pacific common stock owned by Block at a price of \$11 per share; (4) Graham has granted an identical option to Pacific with respect to all or any part of 29,864 shares of Pacific common stock owned by Graham; and (5) as part of the agreement, Block and Graham have entered into five-year employment contracts to manage Reliable.

SOL ZWEIFACH ENJOINED. The SEC New York Regional Office announced December 1 (LR-3875) the entry of a Federal court order (USDC SDNY) permanently enjoining Sol M. Zweifach from violating the anti-fraud provisions of the Securities Exchange Act in connection with the solicitation of tenders to purchase the common stock of American Steel and Pump Corporation. Zweifach consented to the court order without admitting or denying the violations alleged.

KATY INDUSTRIES FILES EXCHANGE PLAN. Katy Industries, Inc. ("Industries"), 701 Commerce St., Dallas, Texas 75202, filed a registration statement (File 2-27768) with the SEC on November 29 seeking registration of 2,000,000 shares of common stock. Industries was organized under Delaware law in August 1967 by Missouri-Kansas-Texas Railroad Company ("Railroad"); and it proposes to offer its shares for all the outstanding shares of Railroad common in the ratio of one share of Industries for one share of Railroad.

According to the prospectus, Railroad in recent years has faced serious financial problems stemming basically from insufficient traffic and revenues. As a result, its ability to generate sufficient funds for both ordinary maintenance and capital improvements has been severely limited. Railroad's management and principal stockholders have concluded that the only likely means of successfully obtaining the substantial amounts of revenue required to complete the rehabilitation and modernization of the Railroad's properties is to initiate a program of diversification into non-transportation enterprises. It is anticipated that initiation of the diversification program will not adversely affect the continued availability of the tax net operating loss carryovers of the Railroad. The Railroad itself is prohibited under existing law and practice from spending its funds or obligating its credit for the purpose of acquiring companies engaging in non-transportation activities. Industries has broad powers to act as a business corporation and proposes to engage in such business activities as shall from time to time be decided by its Board of Directors. A contract has been entered into with Bangor Punta Operations, Inc., which grants that company a ten-year option to purchase "up to that number of shares at a total price of \$2,400,000 which will equal 10% of the common stock of Industries issued and outstanding and issuable on exercise of stock options when the Exchange Offer terminates, the right to exercise the option in full being dependent upon the generation of a total of \$20,000,000 of pre-tax earnings, as defined in the agreement, from new businesses acquired by Industries." In order to secure Bangor Punta Operations' agreement to assist Industries in developing and carrying out this diversification program, certain large stockholders of Railroad have agreed to sell it a total of 88,875 shares, representing about 15% of their respective holdings, at \$12 per share.

SOUTHERN GULF UTILITIES SHARES IN REGISTRATION. Southern Gulf Utilities, Inc., 20215 N.W. 2nd Ave., Miami, Fla. 33169, filed a registration statement (File 2-27764) with the SEC on November 29 seeking registration of 120,800 common shares. Of this stock, 49,600 shares may be issued by the company from time to time to officers and employees pursuant to Stock Option Plans; an additional 71,200 shares were acquired by persons under a Section 4(2) exemption.

J. L. CLARK MFG. FILES STOCK PLAN. J. L. Clark Manufacturing Co., Rockford, Ill., filed a registration statement (File 2-27774) with the SEC on November 30 seeking registration of 50,244 common shares, to be offered to officers, directors and employees who owned common shares of the company on October 10, 1967. The offering price is \$21.04 per share. On that date the company agreed to acquire 219,530 of its common shares held by the Executor of the Estate of Effie White Clark at a price of \$21.04 per share and in connection therewith agreed to offer such shares at that price to the eligible employees as required by the Will of Mrs. Clark. Each eligible employee is entitled by the Will to purchase his proportionate share of the 219,530 shares based upon his ownership of common shares of the company on October 10, 1967 in relation to the total number of common shares owned by all eligible employees. The company manufactures custom styled packaging items used primarily by the food, spice, drug, cosmetic, toiletries, chemical specialty and tobacco industries. Frank D. White is board chairman and Russell C. Gibson president.

CODITRON SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in stock of Coditron Corp. for the further ten-day period December 2 to 11, 1967, inclusive.

W. E. CHANDLER ENJOINED. The SEC Fort Worth Regional Office announced November 28 (LR-3876) the issuance of a Federal court order (USDC WD Okla.) permanently enjoining Wallace E. Chandler of Oklahoma City from violating the registration and anti-fraud provisions of the Securities Act in the sale of stock of Stemen Laboratories, Inc. Chandler consented to the court order. Previously, orders of preliminary or permanent injunction were issued against several other defendants.

SECURITIES ACT REGISTRATIONS. Effective November 30: The Citizens and Southern Capital Corp., 2-27011 (40 days); Diamond Alkali Co., 2-27672; Georgia Pacific Corp., 2-27618; Koninklijke Zout-Organon N.V., 2-27703; Noland Co., 2-27393 (90 days); United States Finance Co. Inc., 2-27196 (Jan 10).
Withdrawn November 29: Space Craft, Inc., 2-27323; GCA Corp., 2-27387; R.A.F. Corp., 2-26164.

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.