

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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ELECTROSPACE CORP. TO SELL DEBENTURES. Electrospace Corporation, 12 Morris Avenue, Glen Cove, New York 11542, filed a registration statement (File 2-30197) with the SEC on September 20 seeking registration of \$5,000,000 of convertible debentures, due 1983, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by H. L. Federman & Co., Inc., 50 Broadway, New York 10004, which will receive a 4% commission. The company also has agreed to sell the Federman firm, for \$120, three-year warrants to purchase 12,000 common shares.

The company designs, manufactures or has manufactured telecommunications, navigational instruments, infra-red equipment and systems and radiation detection equipment for military applications. For commercial purposes, it designs and manufactures various types of automatic telephone answering devices or recorders, test equipment and components and has a contract to manufacture a computer terminal device which is being developed and tested. Of the net proceeds of its debenture sale, \$1,500,000 will be used to repay funds borrowed for the recent acquisition of Lexington Electric Products Co., Inc., a manufacturer of electrical consoles, fire pump controllers, pressure switches, distribution and utility control boards and laboratory test panels; \$150,000 to pay outstanding notes of Lexington, and \$150,000 for capital equipment and leasehold improvements at Lexington; \$500,000 for the development, production and marketing of the company's new line of computer data terminal equipment and \$100,000 for the production, marketing and development of Dialalarm equipment; \$250,000 for the production, marketing and development of new telephone answering equipment and \$100,000 for leasehold improvements and relocating the Glen Cove and Bronx facilities in the Roosevelt Field premises; the balance will be available as working capital and for use in connection with further acquisitions and diversification of the company's business. In addition to indebtedness, the company has outstanding 1,176,015 common shares, of which management officials as a group own 18%. Arnold M. Wolf is president and board chairman.

PALM BEACH CO. FILES FOR SECONDARY. Palm Beach Company, 426 East Fourth Street, Cincinnati, Ohio 45202, filed a registration statement (File 2-30196) with the SEC on September 20 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, and Kidder, Peabody & Co. Incorporated, 20 Exchange Place, both of New York 10005. The offering price (\$34 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs and manufactures a complete line of popular priced men's and boy's clothes under nationally advertised brands (including "Palm Beach"). In addition to indebtedness, it has outstanding 864,916 shares of common and 323,190 shares of Class B common. Management officials own 19.4% of the common and 81.5% of the Class B common. Elmer L. Ward is board chairman and Elmer L. Ward, Jr., president. Elmer L. and Alice G. Ward propose to sell 5,000 common shares each; Edward E. Lowery, a director, 19,600; and Aaron Siegal and Calvin Siegal, 16,250 shares each. Thirteen others propose to sell the remaining shares being registered.

HOLLY CORP. SHARES IN REGISTRATION. Holly Corporation, 1111 W. Foothill Blvd., Azusa, Calif. 91702, filed a registration statement (File 2-30198) with the SEC on September 20 seeking registration of 476,666 outstanding shares of common stock, to be offered for sale by the present holders thereof from time to time on the American Stock Exchange or otherwise, at prices current at the time of sale (\$7 per share maximum*). No underwriting is involved.

The company is engaged mainly in the development and installment sale of subdivided lots, the collection of installment sale receivables and the operation, through an affiliate, of jet fuel storage facilities under contracts with an agency of the Defense Department. In addition to indebtedness, it has outstanding 8,215,716 common shares, of which C. L. Norsworthy, Jr., of Dallas, owns 12.3% and trusts for the benefit of his children 22.4%. Trusts for the benefit of three daughters of Jay Simmons, also of Dallas, hold 36% of the outstanding stock. C. L. Norsworthy, Jr., proposes to sell 180,000 of his holdings of 1,008,081 shares, and trustees for three Simmons trusts 230,000 of 519,822 shares. Two others propose to sell the balance of the shares being registered. Marcus R. Hickerson is president.

MESA PETROLEUM FILES EXCHANGE PLAN. Mesa Petroleum Co., 1501 Taylor St., Amarillo, Texas 79105, filed a registration statement (File 2-30202) with the SEC on September 20 seeking registration of 1,711,760 shares of \$2.50 cumulative convertible preferred stock, \$1 par. It is proposed to offer this stock in exchange for all of the outstanding shares of common stock of Hugoton Production Company, in the ratio of one preferred share for each share of Hugoton common. New York Securities Co., One Whitehall St., New York 10004 and Bacon, Whipple & Co., 135 South LaSalle St., Chicago, will serve as Dealer Managers.

Mesa Petroleum is engaged in the evaluation, exploration, development and operation of oil and natural gas properties located primarily in Western Canada, The Anadarko Basin of Texas and Oklahoma and the Rocky Mountains. Hugoton is engaged in the production and gathering of natural gas from wells in the Hugoton field in Kansas. Mesa Petroleum has outstanding 798,659 common shares and certain indebtedness. T. B. Pickens, Jr., is president and board chairman.

OVER

RULE 429 AMENDED. The SEC today announced an amendment of its Rule 429 under the Securities Act of 1933 (Release 33-4925). Previously, Rule 429 provided that where two or more registration statements were effective for different blocks of securities of the same class a combined prospectus could be used in connection with the offering and sale of the securities covered by all of such registration statements provided the prospectus contained the information with respect to the underwriting and distribution of the securities and the use of the proceeds therefrom which would be required in each prospectus if separate prospectuses were used. The amended rule provides that such a combined prospectus may be used even though the securities covered by the several registration statements are not all of the same class. Use of the combined prospectus is not permitted, however, where the latest registration statement is filed on Form S-14. The reason for this is that a prospectus for securities registered on Form S-14 consists of a proxy statement supplemented by certain additional information. Such a prospectus is not deemed suitable for securities other than those for which that form may be used. The amended rule also provides that where the use of a combined prospectus is permitted, the filing of the latest registration statement or compliance with an undertaking therein to file up-dated prospectuses as post-effective amendments shall be deemed to constitute compliance with similar undertakings in the earlier registration statements. This avoids the filing of separate amendments to each of the earlier statements.

INTERLOCK OFFICERS ENJOINED. The SEC Seattle Regional Office announced September 17 (LR-4115) the entry of a Federal court order, by consent, permanently enjoining violations of the registration and anti-fraud provisions of the Federal securities laws by Arlo L. Wilson and Blaine K. Tidwell, officers of Interlock, Inc., United, an Idaho corporation, and DeVere P. Kent, a salesman. The complaint against Interlock, Inc., United was continued; the complaint against its predecessor, Interlock, Inc., was dismissed by reason of its dissolution.

GENERAL AMERICAN TRANSPORTATION FILES EXCHANGE PLAN. General American Transportation Corporation, 120 South Riverside Plaza, Chicago, Ill. 60680, filed a registration statement (File 2-30200) with the SEC on September 20 seeking registration of 687,943 shares of \$2.50 cumulative convertible preferred stock, \$1 par. It is proposed to offer this stock in exchange for the outstanding shares of common stock of LaSalle National Bank, of Chicago, at the rate of one preferred share for each share of Bank common. In addition to indebtedness, the company now has outstanding 11,178,668 common shares. T. M. Thompson is board chairman and J. R. Scanlin president.

MOUNTAIN STATES DEVELOPMENT ASSESSMENT SUSPENDED. The SEC has issued an order under the Securities Act of 1933 temporarily suspending a Regulation F exemption from registration under that Act with respect to a stock assessment by Mountain States Development Corporation, of Salt Lake City, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

Regulation F provides a conditional exemption from Securities Act registration with respect to assessments levied on outstanding shares of assessable stock. In its Regulation F notification, filed in October 1967, the said Development Company proposed an assessment of 10¢ per share on its 2,982,915 outstanding shares, or an aggregate of \$198,191.50. According to the Commission's suspension order, sales material used in connection with the assessment failed to comply with the Regulation by reason of the fact that it contained false and misleading representations of material fact.

THREE TRADING BANS CONTINUED. The SEC has issued orders suspending exchange and/or over-the-counter trading in securities of Alcar Instruments, Inc., Continental Vending Machine Corporation, and Westec Corporation for the further ten-day period September 24 through October 3, 1968, inclusive.

COMMENT DATE FOR PRODUCT-LINE REPORTING PROPOSAL EXTENDED. At the request of interested persons, the SEC has extended to November 4 the due date for the submission of views and comments upon the Commission's proposed revision of its Registration Forms S-1, S-7 and 10 to provide for disclosure of information concerning the approximate contribution which the various lines of business make to a company's overall profitability, or lack of it. (Release 33-4927)

BORROWINGS BY EUA SUBSIDIARIES PROPOSED. The SEC has issued an order under the Holding Company Act (Release 35-16171) giving interested persons until October 17 to request a hearing upon proposed additional borrowings by subsidiaries of Eastern Utilities Associates, as follows: Fall River Electric Light Company, \$1,900,000; and Brockton Edison Company, \$600,000. The borrowed funds will be used by the subsidiaries for property additions and improvements and for other corporate purposes.

TEXAS CAPITAL PLAN APPROVED. The SEC has issued an exemption order under the Investment Company Act (Release IC-5497) authorizing Texas Capital Corporation, Georgetown, Texas, to set up a subsidiary corporation which will operate as a Small Business Investment Company. Texas Capital will transfer its license as a small business investment company and certain of its assets to the subsidiary, which will assume the parent's corporate name and engage in the business of furnishing capital to industry. The parent will change its name to "TeleCom Corporation" and will be primarily engaged in the business of operating its majority owned subsidiaries. About 21% of its assets will be represented by the stock of the SBIC subsidiary.

SECURITIES ACT REGISTRATIONS. Effective September 19: Alan Wood Steel Company, 2-29845; Computer Applications Incorporated Speedata, Inc., 2-29350 (90 days). Effective September 20: Cencor, Inc., 2-29288 (90 days); Dearborn Computer Corporation, 2-29819 (40 days); First at Orlando Corp., 2-29515 (40 days); Frequency Electronics, Inc., 2-29609 (90 days); Fund of Letters, Inc., 2-28515 (90 days); Marcor Inc., 2-29929 (90 days); Ray Proof Corp., 2-29455 (90 days); The Southern New England Telephone Co., 2-29982. Withdrawn September 19: Standard Kollsman Industries, Inc. Withdrawn September 20: IMC-Morton, Inc., 2-29192 and 2-29321; Admiral Insurance Company, 2-27205.

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.

CONTINUED

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 "Issue No." in ordering). Invoice will be included with the request material when mailed. An index of the captions of the several items of the form was included in the September 3 News Digest.

Palm Beach Co Jul 68(2,9,7,13)	0-2271-2	Bankers Invmt Corp	
San Diego Gas & Elec Co		Amd #1 to 8K for Jun 68(12)	0-1317-2
Aug 68 (4,13)	1-3779-2	Prods Research & Chemical Corp	
Torrington Co Jun 68 (12)	1-518-2	Amd #1 to 8K for Jan 68(9)	1-4852-2
Water Treatment Corp Aug 68(11,13)	0-1735-2		
		Jones & Laughlin Steel Corp	
Hadson Ohio Oil Co Jul 68 (11)	0-1603-2	Amd #1 to 8 ^K for Jul 68(13)	1-463-2
Real Eight Co Inc Jul 68(7,12,13)	1-5504-2	Saturn Airways Inc	
Royal American Inds Inc		Amd #1 to 8K for Mar68(2,8,13)	0-3090-2
Aug 68 (11,13)	1-4109-2	Amd #1 to 8K for Apr68(2,8,13)	0-3090-2
Southern Rlty & Utilities Corp			
Aug 68(11)	1-4253-2	Dunkin Donuts Inc Jun 68(7)	2-27912-2
American Motorist Ins Co		Okonite Co Apr 68(11)	1-5267-2
Jul 68(1,13)	2-7687-2	John Sexton & Co Jul 68(2,13)	0-1804-2
El-Tronics Inc Jul 68(11)	1-3916-2	Skyline Corp Aug 68(4,7,11,13)	1-4714-2
Fearn Foods Inc Jul 68(2)	0-2470-2		
Paramount Foam Inds Jul68(11,13)	2-18954-2	Universal Food Prods Inc	
Republic Investors Life Ins Co		Aug 68(1,2,7,8,11,12)	0-1336-2
Jul 68(3,11,12)	0-2012-2		
		G Heileman Brewing Co Inc	
The Cyclotron Corp Jul 68(7)	0-2554-2	Aug 68(3,7)	1-4738-2
Quaker City Inds Inc			
Jul 68(7,8,11,13)	2-27954-2	TSI Amd #1 to 8K for Jul 68(13)	0-2958-2
Rand Development Corp		Dillingham Corp	
Aug 68(12,13)	0-2774-2	Amd #1 to 8K for May68(2,7,13)	1-4581-2
Southern Indiana Gas & Elec Co			
Aug 68(7,13)	1-3553-2	R E D M Corp	
		Amd #1 to 8K for Jun 67(9)	1-4749-2
Delta Air Lines Inc Jul 68(8)	1-5424-2	Salant & Salant Inc	
First Illinois Tr Jul68(7,9,13)	0-1770-2	Amd #1 to 8K for Nov 67(8,13)	0-2433-2
Del E Webb Corp Aug 68(12)	1-4785-2		
		Ramo Inc	
Executive House Inc Aug 68(12)	0-1665-2	Amd #1 to 8K for Jun 68(2)	0-2284-2
Florida Gas Co Jun 68(3)	1-5623-2		
Palabora Mining Co Ltd		Trans-Texas Airways Inc	
(6K) Aug 68	2-22241-2	Amd #1 to 8K for May 68(4)	0-334-2
Thrift Plan of Reda Pump Co		Valley Bancorporation	
Aug 68(7)	2-13744-2	Amd #1 to 8K for Jul68(11,13)	0-2453-2
Haven Inds Inc Jul 68(7,8)	1-4647-2		
North Lily Mining Co Aug 68(11)	1-1703-2		
Prince Cons Mining Co Aug 68(11)	1-1567-2		
Products Research & Chemical Corp			
Apr 68(9,13)	1-4852-2		
South European Pipeline Co			
(6K) Aug 68	1-4627-2		
Tracor Inc Jul 68(2,7,8,13)	0-528-2		
Sterling Sugars Inc			
Jun & Jul 68(2,11,13)	0-1287-2		

*As estimated for purposes of computing the registration fee.

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