

# 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 SEC Publications Unit cite number)

(Issue No. 68-252)

FOR RELEASE December 27, 1968

**STAFF VIEWS ON MUTUAL FUND SHARE PRICING REPORTED.** The SEC today made public certain "interpretative positions" of its Division of Corporate Regulation (Release IC-5569) concerning Rule 22c-1 under the Investment Company Act (Release IC-5519), adopted by the Commission on October 16 to take effect on January 13, 1969. Rule 22c-1 provides that the price at which mutual fund shares may be sold, redeemed, or repurchased shall be a price based on the net asset value next computed after an order is received. The Division's interpretations relate to the proper pricing practice in relation to the actual time of the receipt of the customer's order by the dealer and/or underwriter; when the net asset value shall be computed; the proper pricing in relation to voluntary or contractual plans for the accumulation of shares of a particular investment company or the automatic liquidation of shares pursuant to a withdrawal program; and the preferred procedure to be followed in conforming the present language in prospectuses to the requirements of Rule 22c-1 with respect to the pricing methods of investment companies.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8475) granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Control Data Corp.

**PRINCETON ELECTRONIC PRODUCTS TO SELL STOCK.** Princeton Electronic Products, Inc., Raymond Road, R.F.D. 4, Princeton, N. J. 08540, filed a registration statement (File 2-31101) with the SEC on December 20 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made through underwriters headed by Philips, Appel & Walden, Inc., 111 Broadway, New York, N. Y. 10006, which will receive a 60c per share commission. The company has agreed to pay Philips, Appel \$15,000 for expenses and to sell it 20,000 common shares at 20c per share.

The company was organized under New Jersey law in June 1968 for the purpose of developing a variety of electronic communications devices and equipment. It intends to devote its efforts during the first year to the development of a graphic storage and transmission system, the research and development of its audio-optical playback apparatus, electronic storage and display devices and a low light level television camera, and to a study of the applications of and markets for these products. Of the net proceeds of its stock sale, \$400,000 will be used to pay salaries of technical, engineering and management personnel and \$450,000 for equipment and supplies for use in research and development projects; the balance will be used for general overhead. The company has outstanding 900,000 common shares (with a net tangible book value of \$.004 per share), of which Steven R. Hofstein, president, owns 50% and Max Krafchik, vice president, and Hyman Center, treasurer, 16.6% each. Upon completion of this offering, the public investors will own 18% of the then outstanding stock, for which they will have paid \$1,200,000 and company officials, founders and affiliated persons will own 82%, for which they will have paid \$29,080, or an average of \$.032 per share.

**BERNZOMATIC FILES FOR OFFERING AND SECONDARY.** Bernzomatic Corporation, 740 Driving Park Avenue, Rochester, N. Y. 14613, filed a registration statement (File 2-31102) with the SEC on December 20 seeking registration of 300,000 shares of Class A stock, of which 90,669 shares are to be offered for public sale by the company and 209,331 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by S. D. Lunt & Co., 906 Marine Trust Building, Buffalo, N. Y. 14203; the offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment. The selling shareholders have agreed to pay the underwriters up to \$10,000 for expenses and the company has agreed to sell to Lunt & Co., for \$90, five-year warrants to purchase 9,000 Class A shares.

The company is principally engaged in the development, manufacture and marketing of products utilizing liquefied petroleum gas ("propane") as a source of heat, light and power. It and a subsidiary also manufacture and/or market a line of extruded aluminum cylinders, fire extinguishers, tire inflators, a solid petroleum fire starter, and a portable refrigerator. Of the net proceeds of its sale of additional stock, \$300,000 will be used for construction of a warehouse addition to the company's existing manufacturing facilities in Rochester, \$100,000 for the purchase of production equipment to manufacture machined parts now purchased, and \$100,000 to accelerate the design and development of new products through additions to its staff and use of outside specialists; the balance will be added to general working capital primarily to finance expanded inventories and accounts receivable. In addition to indebtedness and preferred stock, the company has outstanding 733,305 Class A shares, of which Sidney J. Reich and his wife own 17.4% each and management officials as a group 9.2%. Sidney Reich proposes to sell 90,840 shares of 127,944 shares held; his wife 118,491 of 127,391. Donald L. Clark is president and board chairman.

**PUGET SOUND POWER & LIGHT TO SELL BONDS.** Puget Sound Power & Light Company, Puget Power Bldg., Bellevue, Washington 98004, filed a registration statement (File 2-31103) with the SEC on December 20 seeking registration of \$20,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. An electric utility, the company will apply the net proceeds of its bond sale toward repayment of \$33,500,000 of outstanding bank loans incurred for construction purposes. Construction expenditures are estimated at \$41,300,000 for 1969.

**ARZI BANK FILES PLEA.** The SEC New York Regional Office announced December 18 (LR-4186) that the Arzi Bank A.G. of Zurich, Switzerland was indicted and immediately entered a plea of guilty to a charge of violating Regulation T. The Bank received a \$2,500 fine.

**SEC COMPLAINT NAMES SUN DISK PETROLEUM, OTHERS.** The SEC Denver Regional Office announced December 20 (LR-4187) the filing of court action in Omaha seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by the following in the offer and sale of oil interests: Sun Disk Petroleum Corporation, Resources, Inc., Paul R. Worthington, Robert T. Hyatt and Ralph Henry Bauman, all of Omaha; LuVerne Hoffman and Sidney J. Brown, of Falls City, and Lawrence A. Moser of Columbus, Nebr.

**MANNEY & CO. ENJOINED.** The SEC Fort Worth Regional Office announced December 20 (LR-4188) that the U. S. District Court in Dallas had permanently enjoined Manney & Company, a registered broker-dealer, and its president, Irving Manney, from offering and selling stock of Computronic Industries Corp. in violation of the Securities Act registration requirements. The court denied the injunctive relief sought against William C. Hipp.

**RAND, RAND DEVELOPMENT INDICTED.** The SEC Chicago Regional Office announced December 20 (LR-4189) the return of a Federal court indictment charging James Henry Rand III and Rand Development Corp., both of Cleveland, O., with violations of the mail fraud statute and of the anti-fraud provisions of the Securities Exchange Act.

**FOSTER & EDWARDS FILE PLEAS.** The SEC Chicago Regional Office announced December 20 (LR-4190) that Joe E. Foster, Jr., of Jacksonville, Ill., and Maurice D. Edwards of North Little Rock, Ark., had pleaded guilty to a four-count information charging violations of the Securities Act anti-fraud provisions in the sale of stock of Allied Development Companies, Ltd., and Reinsurance Investment Company.

**SALE OF JET CRAFT STOCK ENJOINED.** The SEC San Francisco Regional Office announced December 23 (LR-4191) the issuance of an order by the U. S. District Court in Las Vegas enjoining the sale of stock of Jet Craft Ltd., by that corporate defendant as well as John E. Morgan, Noel Pennington, Ralph M. Allen and James W. Turrentine. The defendants consented to the injunction but without admitting the allegations of the Commission's complaint against them.

**RASSCO, OTHERS CONSENT TO INJUNCTION.** The SEC New York Regional Office announced December 26 (LR-4192) the filing of court action seeking to enjoin violations of the Securities Act registration provisions by Rassco Rural and Suburban Settlement Company, Limited ("RASSCO") of Israel, Rassco Israel Corporation, its subsidiary in New York, Rassco of Delaware, Inc., a New York broker-dealer and subsidiary of Rassco, Mordechai Stern of Tel-Aviv, Israel, and Jacob M. Snyder of New York. The complaint also charged that all said defendants except RASSCO violated the anti-fraud provisions of the Federal securities laws, that RASSCO failed to file in a timely manner its annual reports for the fiscal years ending March 1967 and March 1968, and that RASSCO Israel Corporation engaged in a securities business in violation of the SEC broker-dealer registration provisions.

The charge in the complaint related to the sale of interests in real estate in Israel issued by the parent corporation, defendant RASSCO, and shares of the common stock of Realco (Real Estate Investment Company) Ltd., G.U.S. Rassco Ltd., and Rassco Plantations Ltd., to American investors in alleged violation of the registration provisions of the Securities Act. In addition, the complaint alleged that the defendants Rassco Israel Corporation, Rassco of Delaware, Inc., Mordechai Stern and Jacob Snyder, engaged in acts and practices which operated as a fraud upon purchasers by making untrue statements of material facts and omitting to state material facts concerning, among other things, the financial condition of the RASSCO complex and financial risk involved in purchases of securities from RASSCO, and the fact that certain interests in the real estate in Israel and the other above mentioned securities were unregistered.

RASSCO, Rassco Israel Corporation and Rassco of Delaware, Inc., without admitting or denying the allegations of the complaint, consented to a court order of permanent injunction, as did defendant Snyder. RASSCO, Rassco Israel Corporation and Rassco of Delaware, Inc., also filed an undertaking with the court which, among other things, contemplates that purchasers of the real estate interests sold by Rassco will receive an opportunity to surrender their interests for debentures of a new company, that purchasers of ordinary shares or common stock of either Realco or G.U.S. Rassco from RASSCO will receive an offer to exchange their stock for debentures of Tefahot Israel Mortgage Bank Limited, in Jerusalem; and that Williscorp., S.A., a Panamanian holding company organized by RASSCO, will be liquidated and the shareholders shall receive a cash payment in U. S. dollars in an amount equivalent to each investor's purchase price of his Williscorp shares.

**FIRST AT ORLANDO PROPOSES RIGHTS OFFERING.** First at Orlando Corporation, First National Bank Building, Orlando, Fla. 32801, filed a registration statement (File 2-31104) with the SEC on December 20 seeking registration of 140,545 shares of common stock, to be offered for subscription by common stockholders at the rate of 1 share for each 10 shares held. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York, N. Y. 10005; the record date, subscription price (\$50 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under Florida law in May 1966, the company commenced business as a bank holding company in June 1967 when its exchange offers became effective for acquisition of control of The First National Bank at Orlando and its four affiliated banks, all located in or near Orlando. In October 1968, First at Orlando, by exchange of stock, acquired The First National Bank of Leesburg, and it together with the five banks originally acquired are now banking subsidiaries. Of the net proceeds of its stock sale, \$700,000 will be used to repay outstanding borrowings and \$1,000,000 to make additional capital investments in three of the bank subsidiaries; the balance will be added to the company's general funds and may be used to make additional investments in banks which may be acquired and in the member banks, or for other general corporate purposes. The company has outstanding 1,405,443 common shares. William H. Dial is board chairman and president.

**STANDARD PRODUCTS TO SELL DEBENTURES.** The Standard Products Company, 2130 West 110th St., Cleveland, Ohio 44102, filed a registration statement (File 2-31105) with the SEC on December 20 seeking registration of \$4,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Prescott, Merrill, Turben & Co., 900 National City Bank Bldg., Cleveland, Ohio 44114; the interest rate and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of parts and assemblies to automobile and truck manufacturers, principally weather sealing devices. It also produces a wide variety of track for military and civilian tracked vehicles and manufactures a number of other rubber and plastic items for the industrial construction industry and for the automotive industry. Net proceeds of its financing will be applied to the reduction of \$4,000,000 of bank debt incurred by the company in connection with the acquisition of Cee-Bee Manufacturing Company, Inc., Campbell Plastics Corp. and affiliated companies. In addition to indebtedness, the company has outstanding 498,077 common shares, of which James S. Reid, board chairman, owns 11.8%, James S. Reid, Jr., president, 9.5% and management officials as a group 40.8%.

**INTEGRATED RESOURCES TO SELL STOCK.** Integrated Resources, Inc., 366 Fifth Avenue, New York, N. Y. 10001, filed a registration statement (File 2-31107) with the SEC on December 20 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$15 per share. The offering is to be made by Suplee, Mosley, Close & Kerner Incorporated, 1500 Walnut St., Philadelphia, Pa. 19102, which will receive a \$1.20 per share commission. The company has sold 25,000 shares to the underwriter at 10¢ per share; the underwriter has agreed not to offer or sell publicly such shares prior to January 31, 1971.

The company was organized under Delaware law in December 1968 for the purpose of offering a broad range of investment and financial services. It expects to operate primarily through wholly-owned subsidiaries, which were formed in December 1968. It proposes to engage in the purchase of industrial and commercial equipment and to arrange for leasing such equipment, the forming and administering ventures, such as limited partnerships, to purchase and lease industrial and commercial equipment and real estate, acquiring and financing operating businesses, primarily in the investment and financial services field, and furnishing investment advice and management services. Net proceeds of its stock sale will be used for the initiation of the company's business activities. The company has outstanding 675,000 common shares (with a 40¢ per share book value), of which Selig A. Zises, president, owns 29.6% and Jay H. Zises 26.7%. Upon completion of this offering, the present shareholders will own 77.1% of the then outstanding common stock, for which they paid \$270,500, and the purchasers of the shares being registered will own 22.9%, for which they will have paid \$3,000,000\*.

**VOILA FOODS FOR PETS TO SELL STOCK.** Voila Foods for Pets, Inc., 136 Centre Avenue, New Rochelle, N. Y. 10805, filed a registration statement (File 2-31108) with the SEC on December 20 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6.50 per share. The offering is to be made on a "best efforts" basis by A. T. Brod & Co., 44 Broad St., New York, N. Y., which will receive a 65¢ per share selling commission plus up to \$17,500 for expenses. The company has agreed to issue to the underwriter, at 1¢ per warrant, five-year warrants to purchase up to 10,000 common shares, exercisable (after one year) at prices ranging from \$7.15 to \$9.10 per share, and to sell to Ronald Alpert, an employee of the underwriter, at 1¢ per warrant, like warrants to purchase up to 2,000 common shares in consideration for his services as a finder.

Organized under New York law in October 1967, the company is engaged solely in the business of merchandising, marketing and distributing a line of quality foods for dogs and cats. Of the net proceeds of its stock sale, \$225,000 will be used for advertising, \$125,000 for inventory, and the balance for working capital. The company has outstanding 383,233 common shares (with a 10¢ per share book value), of which Seymour Rosen, board chairman and president, owns 50.14%. Upon completion of this offering, the present shareholders will own 79% of the then outstanding common stock, for which they paid \$163,769, and the purchasers of the shares being registered will own 21%, for which they will have paid \$650,000.

**GREATER WASHINGTON INVESTORS FILES FOR RIGHTS OFFERING AND SECONDARY.** Greater Washington Investors, Inc., 1725 K St., N. W., Washington, D. C. 20006, filed a registration statement (File 2-31109) with the SEC on December 20 seeking registration of 209,604 shares of common stock. Of this stock, 147,142 shares are to be offered for subscription by common stockholders of record January 31, 1969, at the rate of one additional share for each four shares held, and 62,462 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005, and Johnston, Lemon & Co., 805 15th St., N. W., Washington, D. C. 20005. The subscription price (\$36 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a closed-end, non-diversified investment company of the management type. Net proceeds of its stock sale will be used primarily for investment in companies other than those in which it now holds investments, and in its SBIC subsidiary for reinvestment. In addition to indebtedness, the company has outstanding 588,568 common shares, of which John W. Warner, former chairman of the executive committee, owns 10.61% and management officials as a group 6.89%. Warner proposes to sell all of his holdings of 62,462 shares as well as rights received pursuant to the current rights offering.

**MARVA INDUSTRIES TO SELL STOCK.** Marva Industries, Inc., 545 Dowd Avenue, Elizabeth, N. J. 07201, filed a registration statement (File 2-31110) with the SEC on December 23 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on an "all-or-none best efforts" basis by Weinberg, Ost & Hayton, Inc., 52 Broadway, New York, N. Y. 10004, which will receive a 40¢ per share selling commission. Subject to the sale of all the shares, the company has agreed to pay the underwriter \$15,000 for expenses and to sell it, for \$160, six-year warrants to purchase 16,000 common shares, exercisable after one year at \$4.80 per share. In addition, the company has agreed to sell to Marcel Weber, the company's general counsel, for \$40, like warrants to purchase 4,000 common shares in consideration for his services as a finder.

Organized under Delaware law in October 1968 as successor to the businesses of five affiliated corporations, the company provides knitting, finishing and laminating services to fabric converters. Of the net proceeds of its stock sale, the company will use \$175,000 for down payments on dyeing equipment having a cost of \$600,000 and \$100,000 to repay short term indebtedness incurred in December 1968 for working capital purposes; the balance will be added to working capital and may be used for further expansion, through further development of present facilities and possibly through the acquisition of other businesses and for general corporate purposes. In addition to indebtedness, the company has outstanding 600,000 common shares (with an 80¢ per share book value), of which Marvin Haspel, treasurer, owns 29.5% and Seymour Haspel, president, and Morton Kwestel, secretary, 28.3% each and Helene Kwestel 14%. Upon completion of this offering, the purchasers of the shares being registered will incur an immediate dilution of \$2.30 in the per share book value from the public offering price.

**BG&O MGM. FILES FOR OFFERING.** BG&O Co. Management Company, 2150 Franklin St., Oakland, Calif. 94612, filed a registration statement (File 2-31100) with the SEC on December 20 seeking registration of \$12,000,000 of participating interests in its 1969 Buttes Gas and Oil Exploration Program, to be offered for public sale in \$10,000 units. The purpose of the program is to explore for oil and gas, using funds supplied by the purchasers of participating interests. Buttes Gas & Oil Co., a California corporation, will be engaged as operating agent to conduct the program. The offering will be made by the Management Company, which will deposit the proceeds in the Exploration Fund and, as agent for the participants, enter into an exploration agreement with the operating agent which, in turn, will use the funds to defray the costs incurred in connection with the program. John Boreta is president and Otto Hackel vice president of the management company; they own all its outstanding stock. Boreta also is president of the operating agent.

**TWO TRADING BANS CONTINUED.** The SEC has ordered the further suspension of over-the-counter trading in securities of Electrogen Industries, Inc., for the period December 28 to January 6, 1969, inclusive, and in securities of Omega Equities Corporation for the period December 30 to January 8, 1969, inclusive. As to Electrogen Industries, the suspension also applies to any trading in its securities under the name of American Lima Corporation (See Release 34-8473).

**KINGSPORT POWER SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16251) giving interested persons until January 16 to request a hearing upon an application of Kingsport Power Company, Roanoke subsidiary of American Electric Power Company, Inc., to issue and sell from time to time up to December 31, 1969, \$2,500,000 of short-term notes to two banks. Kingsport will use the proceeds of its financing to reimburse its treasury for past expenditures in connection with its construction program, to provide funds to finance, in part, its future construction program, and for other corporate purposes. Construction expenditures for 1969 are estimated at \$1,600,000.

**WHEELING ELECTRIC SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16252) giving interested persons until January 16 to request a hearing upon an application of Wheeling Electric Company, Wheeling subsidiary of American Electric Power Company, Inc., to issue and sell from time to time up to December 31, 1969, \$4,000,000 of short-term notes to five banks. Wheeling will use proceeds of its financing to reimburse its treasury for past expenditures made in connection with its construction program, to provide funds to finance, in part, its future construction program, and for other corporate purposes. Construction expenditures for 1969 are estimated at \$1,900,000.

**SECURITIES ACT REGISTRATIONS.** Effective December 23: Medical Communications, Inc., 2-30434 (March 23). Effective December 26: American Express Company, 2-30622; CMI Corporation, 2-30624 (90 days); Consolidated Foods Corporation, 2-31034; Daniel Woodhead Company, 2-30899 (90 days); Globe Industries, Inc., 2-30287 (90 days); The Griesedieck Company, 2-30043 (40 days); PPG Industries, Inc., 2-30993; Polymer Materials, Inc., 2-30419 (90 days); Public Service Company of Indiana, Inc., 2-30779.

**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.