

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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JAMES PRICE CO. REVOKED. In a decision announced today, the SEC revoked the broker-dealer registration of James H. Price & Co., Inc., of Coral Gables, Fla., for violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of stock of Riddle Airlines, Inc. Price & Co. also was expelled from the NASD; and James H. Price, its president, was barred from further association with any broker-dealer firm. Both consented to the Commission's action, but without admitting the allegations against them.

According to the Commission's decision, Price & Co. and Price offered and sold Riddle Airlines stock in violation of the Securities Act registration provisions; and they also violated Section 10(b) of the Securities Exchange Act in that they bid for and purchased Riddle Airlines stock while engaged in its distribution.

The action was dismissed as to James S. Price, vice president of the firm, who merely served as a nominee of his father, James H. Price and did not participate in "managerial control" of the firm. The son, who is not now engaged in the securities business, stipulated that if he seeks to reenter the securities business, the Commission may deem the allegations as to him admitted for the purpose of determining whether to approve such reentry.

RICHARD McGLOTHIN ENJOINED. The SEC Denver Regional Office announced April 4 (LR-3683) that Richard McGlothlin of Dallas had been permanently enjoined, with his consent, from further violations of the Securities Act registration and anti-fraud provisions in his sale of investment contracts of Black Angus Steak Houses (USDC, Dallas).

COMPLAINT NAMES INTERNATIONAL ORE PROCESSING. The SEC Denver Regional Office announced April 5 (LR-3684) the filing of a complaint (USDC Salt Lake City) seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by International Ore Processing Company, Inc., of Salt Lake City, and J. Linden Heaton, its president, in the offer and sale of stock of the defendant corporation.

IVER IVERSEN SENTENCED. The SEC Boston Regional Office announced April 6 (LR-3685) that Iver J. Iversen of Bridgeport, Conn., who previously had entered a nolo contendere plea to one count of an indictment charging fraud in the sale of stock of Electro Optical Development and Research, Inc., was sentenced to the custody of the Attorney General for one year and one day but execution of the sentence was suspended and Iversen was placed on probation for two years.

LEX & POWELL ENTER PLEAS. The SEC Washington Regional Office announced April 7 (LR-3686) that Joseph T. Lex and George E. Powell, Jr., former employees of a securities firm in Norfolk, Va., each entered a plea of guilty to one count of an 11-count indictment charging them with interstate transportation of stolen property in violation of Title 18, U.S.C., Section 2314. Sentencing by the U. S. District Court in Norfolk is set for May 5.

SEC COMPLAINT NAMES BETHEL BAPTIST UNIVERSITY. The SEC Fort Worth Regional Office announced April 6 (LR-3687) the filing of a complaint in the Federal court in Fort Worth seeking to enjoin Bethel Baptist University, an Oklahoma corporation, Charles A. Lindsey, its Chief Administrative Officer of Chattanooga, Tenn., Oliver V. Hayes, O. A. Cole, James S. Clary, Andrew J. Rhoads, and Floyd D. Ward, from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities issued by Bethel Baptist University.

COURT ENJOINS MONTAUK FINANCIAL, OTHERS. The SEC Chicago Regional Office announced April 7 (LR-3688) that on March 24 the Federal court at Cape Girardeau, Mo., entered an order of preliminary injunction against Montauk Financial Corporation, James M. Keasler, its president, J. B. Crain & Company, Inc., and John B. Crain, the latter's president, all of Poplar Bluff, Mo., enjoining Montauk from operating as an unregistered investment company in violation of Section 7(a) of the Investment Company Act, and enjoining the other defendants from abetting such conduct. Defendants also were enjoined from violating Section 17 of the Securities Act and Section 15(c)(1) of the Securities Exchange Act. On April 6 the court entered a judgment making the injunction permanent as against Crain & Co. and Crain, who consented to the decree without admitting the allegations of the Commission's complaint. The Commission's motion for the appointment of a receiver for the assets of Montauk is scheduled for court hearing on April 28.

RESEARCH-COTTRELL FILES FOR SECONDARY. Research-Cottrell, Inc., P. O. Box 750, Bound Brook, N. J. 08805, filed a registration statement (File 2-26327) with the SEC on April 10 seeking registration of 300,000 outstanding shares of capital stock, now owned by Research Corporation. The latter proposes to offer the shares for public sale through underwriters headed by F. Eberstadt & Co., 65 Broadway, New York 10006. The public offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was founded in 1954 to continue and develop the established business operations of Research Corporation, which were devoted to the production and sale of air pollution control equipment. Recently,

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the company expanded its field of operations to include equipment for the treatment of water for industrial and municipal use and for the control of water pollution from sewage and industrial waste. In addition to indebtedness, the company has outstanding 875,250 shares of capital stock (after giving effect to a 5-for-1 stock reclassification). Research Corporation will continue to own 575,000 shares, or 65.7% of the shares outstanding, after its sale of the 300,000 shares being registered.

SENTRY MFG. PROPOSES OFFERING. Sentry Manufacturing Company, 3105 Liberty Bank Building, Oklahoma City, Okla. 73102, filed a registration statement (File 2-26331) with the SEC on April 10 seeking registration of 160,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by Parker, Bishop & Welsh, Inc., for which it will receive a selling commission of 30¢ per share. The company also has granted the underwriter, warrants for the purchase of 16,000 common shares exercisable at from \$3 to \$6 per share depending upon the date of their exercise.

The company was organized as successor to a sole proprietorship operated by George L. Beyers, its president. Beyers contributed the assets of his sole proprietorship to the company and the company assumed his liabilities; in exchange therefor he received 63,000 shares of stock. The company is a contract manufacturer of diode matrixes, printed circuit boards, wiring harness assemblies, loudspeaker mounting boards, terminal boards and sheet metal assemblies; and it also manufactures and sells shortwave radio frequency converters and other equipment. It has entered into a contract with Industrial Development Trust, Inc., of Chickasha, Okla., pursuant to which there will be constructed for the company a manufacturing facility to be located at Chickasha, at which the company proposes to engage in the production and sale of quartz crystals used in the control of frequencies of radio transmitters and receivers. As soon as these facilities are completed, the company's manufacturing operations will be transferred to Chickasha. Net proceeds of this financing will be used for general corporate purposes, for working capital, and for purchase of equipment and inventory at its new plant.

BELDEN & BLAKE CO. FILE FOR OFFERING. Belden & Blake and Company Limited Partnership No. 1A, 702 Tuscarawas St., West Canton, Ohio 44702, filed a registration statement (File 2-26334) with the SEC on April 10 seeking registration of 100 units of ownership in the Partnership, to be offered for sale at \$2,700 per unit. The Partnership was formed to acquire oil and gas well locations together with the supporting leases and to drill oil and gas wells. Henry S. Belden III and Glenn A. Blake are general partners. Each owns a 9% interest in The Canton Oil & Gas Company, which will furnish the Partnership all tubular goods, equipment, services and materials and will be paid on the basis of a 2% markup on the cost of the same and 5% on the cost of services such as logging and fracturing.

RANSBURG ELECTRO-COATING FILES FOR SECONDARY. Ransburg Electro-Coating Corp., 3939 West 56th Street, Indianapolis, Ind. 46208, filed a registration statement (File 2-26335) with the SEC on April 11 seeking registration of 440,760 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., New York and Collett & Company, Inc. 1200 Fletcher Trust Bldg., Indianapolis, Ind. The public offering price (\$17 per share maximum*) and underwriting terms are to be supplied by amendment.

The company has been engaged since 1948 in the business of developing, manufacturing and marketing (primarily by lease or license) equipment using the company's electrostatic coating processes; in recent years the manufacture of certain new types of electrostatic coating equipment for outright sale has represented an increasing proportion of its business. The company has outstanding 1,473,000 common shares (after giving effect to a recent 200% stock dividend), of which management officials own 59.1%. The prospectus lists eleven selling stockholders, including the North Baton Rouge Development Company, Inc., which proposes to sell all its holdings of 272,739 shares. Harold P. Ransburg, president, proposes to sell 90,000 of his holdings of 831,432 shares. Others propose to sell shares ranging in amounts from 300 to 21,750 shares.

NATIONAL AVIATION RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4914) authorizing National Aviation Corporation, New York closed-end, non-diversified management investment company, to purchase up to \$2,000,000 of convertible subordinated debentures (due 1992) of Lockheed Aircraft Corporation during the existence of an underwriting agreement with respect to a proposed public offering of \$125,000,000 of such debentures. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of said debentures by the said investment company is prohibited by the Act absent the issuance of an exemption order by the Commission.

NUVEEN TAX-EXEMPT FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4916) exempting Nuveen Tax-Exempt Bond Fund, Series 14, from the \$100,000 minimum net capital provisions of the Act. Applicant is one of a series of 14 similar funds, named "Nuveen Tax-Exempt Bond Fund," organized pursuant to a Trust Indenture and Agreement between John Nuveen & Co., as Sponsor and United States Trust Company of New York as Trustee. Under the Trust Agreement the Sponsor will deposit with the Trustee a minimum of \$7,500,000 principal amount of municipal bonds and will receive in exchange therefor certificates for 75,000 units of undivided interest in the trust. It is proposed to offer such units for sale to the public; and for this purpose a registration statement under the Securities Act has been filed.

SEVEN TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of the following companies for the additional 10-day period April 13-22, 1967, inclusive: Continental Vending Machine Corporation, Lincoln Printing Company, Pakco Companies, Inc., Pinal County Development Association, Sports Arenas, Inc., Underwater Storage, Inc., and Westec Corporation.

*As estimated for purposes of computing the registration fee.