

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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SEC

(Issue No. 67-136)

FOR RELEASE July 18, 1967

CENTURY SECURITIES REVOKED. In a decision announced today (Release 34-8123), the SEC revoked the broker-dealer registration of Century Securities Company, of Los Angeles, for violations of anti-fraud and registration provisions of the Federal securities laws. Two partners, Fred Colton and David T. Fleischman, and four salesmen, Robert W. Nees, William Reigel, Jay B. Cook and Pierre Pambrun, were found to have aided and abetted violations by the firm; and they were barred from further association with any broker or dealer.

According to the Commission's decision, Century Securities and the six individual respondents engaged in a "scheme to defraud investors" by means of a "persistent high-pressure campaign over the telephone" to sell the speculative stock of Jayark Films Corporation. Between May 1963 and April 1964 some 73,700 shares of Jayark stock were sold at prices ranging generally from 5 to 7-3/4. Fraudulent representations and predictions without reasonable foundation were made in the sale of Jayark stock, including representations that Jayark was about to sign a multi-million dollar contract for the acquisition of feature films for TV presentation and that the market price of the stock would double or triple within a short period of time.

The Commission also ruled that Century Securities, together with or aided and abetted by Colton and Fleischman, took excessive mark-ups in the sale of stock of Jayark, Homestead Gold Exploration Corp., and Colorsound, Inc. The prices charged customers were said to have borne no reasonable relationship to the prevailing market prices of the securities in 91 sales of Jayark stock and 71 sales of Homestead stock, where the mark-ups over market price exceeded 7% (and ranged as high as 22% and 33%, respectively), and in 44 sales of Colorsound stock where the mark-ups exceeded 7.7% (and ranged as high as 37.5%). The firm, Colton and Fleischman also were found to have entered bids for and purchased Jayark stock while engaged in a distribution of Jayark shares, in violation of anti-manipulative provisions of the Securities Exchange Act. In addition the firm, Colton, and Fleischman violated the Securities Act registration requirement in the sale and distribution of stock of Jayark and of Kramer-American Corporation purchased from controlling persons. Reigel was found to have participated in such violation with respect to the Jayark stock.

In view of the "extensive violations" by Century Securities and its partners, and the "participation in the fraudulent selling activities" by all the other respondents, the Commission concluded that there was "no basis for the disparate sanctions" ordered by the Hearing Examiner. In his decision, the Examiner had concluded that the broker-dealer registration of Century Securities should be revoked; that Colton, Fleischman, and Nees should be barred (with the understanding that after one year Colton and Fleischman could apply to become associated with another firm in a supervised capacity); that Reigel and Cook should be suspended for six months; and that Pambrun should be censured.

SEC COMPLAINT NAMES WAYMAN AND BEAL. The SEC Denver Regional Office announced July 14 (LR-3769) the filing of a complaint in the Federal court in Salt Lake City, Utah, seeking to enjoin Larry O. Wayman of Ogden, Utah, and G. Ben Beal of Salt Lake City, Utah, from further violations of the anti-fraud and anti-manipulative provisions of the Federal securities laws in the sale of shares of First Western Fidelity Real Estate Investment Trust.

JADE OIL TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Jade Oil & Gas Company for a further 10-day period July 19 to July 28, 1967, inclusive.

HARTFORD ELECTRIC LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15790) authorizing The Hartford Electric Light Company, Whethersfield, Conn. subsidiary of Northeast Utilities, to issue and sell up to \$25,000,000 of short-term notes to a group of banks. Hartford Electric will use the net proceeds of this financing, together with other available funds (1) for construction expenditures, (2) to pay \$2,197,750 of the company's bonds which mature August 1, 1967, and (3) for investments in nuclear generating companies. The company's construction program is estimated at \$33,000,000 for 1967 and \$34,000,000 for 1968.

CALIFORNIA PACIFIC TRADING CORP. SEEKS ORDER. California Pacific Trading Corporation, San Francisco, Calif., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company, and the Commission has issued an order (Release IC-5032) giving interested persons until August 9 to request a hearing thereon. The Superior Court in San Francisco has found that all known debts and liabilities of applicant have been paid or adequately provided for; that the known assets of applicant have been distributed to its preferred shareholders or, in the case of unlocated preferred shareholders, have been deposited with the Treasurer of the State of California; and has issued an order declaring applicant has been dissolved.

NUVEEN TAX-EXEMPT BOND FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5034) exempting Nuveen Tax-Exempt Bond Fund, Series 15, Chicago unit investment trust, from the \$100,000 minimum net capital provisions of the Act.

OVER

CONSOLIDATED OIL & GAS FILES FOR SECONDARY. Consolidated Oil & Gas, Inc., 4150 East Mexico Ave., Denver, Colo. 80222, filed a registration statement (File 2-26924) with the SEC on July 17 seeking registration of 152,541 outstanding shares of common stock, to be offered for public sale by the holders thereof. The public offering price (\$7.00 per share maximum*) is to be supplied by amendment. Also included in the statement are (a) 371,840 shares reserved for issuance upon exercise of a like number of outstanding common stock purchase warrants; (b) 419,867 shares reserved for issuance upon conversion of \$3,149,000 of outstanding 6% convertible sinking fund debentures, due 1980; and (c) 20,000 shares to be issued upon exercise of an outstanding option granted to an underwriter.

The company is engaged in the production and sale of crude oil, condensate and natural gas, as well as the acquisition and development of leaseholds and other interests in oil and gas properties. In addition to indebtedness and preferred stock, it has outstanding 3,179,741 common shares, of which management officials own 16%. The prospectus lists seven selling shareholders. George Platt proposes to sell all of his holdings of 44,000 shares of common stock, Martha R. Platt, all of her holdings of 43,204 shares; the others propose to sell amounts ranging from 3,720 to 19,112 shares. Harry A. Trueblood, Jr. is president.

WILSON PHARMACEUTICAL PROPOSES OFFERING. Wilson Pharmaceutical & Chemical Corporation, Prudential Plaza, Chicago, Ill. 60601, filed a registration statement (File 2-26925) with the SEC on July 17 seeking registration of 300,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., New York 10004; and the public offering price (\$17.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in production and marketing of products for the food and cosmetic industries, industrial chemicals and pharmaceuticals. It was organized under Delaware law in April 1967 by Ling-Temco-Vought, Inc. ("LTV") as one of three successor corporations to the business of Wilson & Co., Inc., which corporation was merged into LTV on June 19. Following the merger, the new company succeeded to the business of the subsidiaries of Wilson & Co., which comprised its Chemical Industries Division; in exchange for the predecessor's business and properties, the new company issued its capital stock and assumed certain liabilities of LTV, including short-term and other indebtedness of \$6,000,000 and an undivided 10% of the 7-7/8% notes of LTV due 1969 aggregating some \$50,000,000, the proceeds of which were applied against the cost to LTV of acquiring Wilson & Co. These 7-7/8% notes represent dollar loans obtained by LTV from a group of European banks. A total of 800,000 shares of common stock and 40,000 shares of Series A preferred stock were issued to LTV (which common shares were later exchanged for a like number of Class B common shares). Net proceeds of the company's sale of additional stock will be offered to the holders of the 7-7/8% notes as a partial pro rata prepayment of this indebtedness. The holders of \$33,000,000 of the notes have agreed to accept prepayments. To the extent the holders of the remaining notes do not accept prepayment, the balance of the proceeds will be used to pay bank notes. Roscoe G. Haynie is board chairman and George J. Binder is president.

ZAPATA OFF-SHORE FILES FOR SECONDARY. Zapata Off-Shore Company, 2000 Southwest Tower, Houston, Tex. 77002, filed a registration statement (File 2-26926) with the SEC on July 17 seeking registration of 121,661 outstanding shares of common stock. These shares are to be issued upon conversion of the company's outstanding 6% convertible subordinated notes, due 1982; and they may be offered for public sale by the holders thereof from time to time on the American Stock Exchange at prices current at the time of sale (\$72.00 per share maximum*).

The company is principally engaged in contract drilling of offshore oil and gas wells in domestic and foreign waters, marine dredging and construction, furnishing of boat services to offshore drilling contractors and manufacturing fish meal and oil. In addition to indebtedness and preferred stock, the company has outstanding 1,533,309 common shares, of which management officials own 13.8%. The prospectus lists 21 selling shareholders, including Wesleyan University which proposes to sell 25,000 shares, The Paul Revere Life Insurance Company, 16,667 shares, Seattle First National Bank and Cinoras Compania Naviera S.A., 10,000 shares each; the others propose to sell amounts ranging from 3,333 to 6,666 shares. D. Doyle Mize is board chairman and William H. Flynn is president.

AMERICAN HYDROCARBON SEEKS ORDER. American Hydrocarbon Corporation, Dallas, which previously applied to the SEC for an order under the Investment Company Act declaring that it is primarily engaged in a business other than that of an investment company (and, therefore, not required to register as such), has filed a further application with the Commission for temporary exemption from the Act pending action with respect to the original application; and the Commission has issued an order (Release IC-5033) giving interested persons until August 8 to request a hearing thereon.

REVISION OF B/D and ADVISER FORMS PROPOSED. The SEC today announced proposals to revise its Form BD for registration of broker-dealer firms under the Securities Exchange Act (Release 34-8125) and its Form ADV for registration of investment advisers under the Investment Advisers Act; and it invited the submission of views and comments thereon not later than September 1.

The principal reasons for the proposed revision of the forms are (1) to provide additional information to assist the Commission in carrying out its regulatory functions, (2) to achieve substantial uniformity between the Commission forms and comparable forms in use by state regulatory authorities, and (3) to modernize procedures to conform with technological advances in the maintenance and retrieval of records. Related Rule 15b3-1 under the Exchange Act and Rule 204-1 under the Advisers Act would also be amended to require each registered firm to amend its registration application now on file to furnish the additional information.

Under the revised forms, more detailed information would be furnished respecting the proprietary interests in the applicant or registrant of each officer, director, partner (general, special, or limited), and all persons with similar status or functions, as well as all persons owning a 10% or greater interest in the applicant or registrant. Disclosure would be required of certain types of disciplinary action by any state or foreign authority, national securities exchange, or the National Association of Securities Dealers, Inc.

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against persons associated with the applicant or registrant if such action resulted in the denial, barring, suspension, or revocation of a state or foreign license or registration, or in the denial, barring, suspension, or expulsion from membership in any such exchange or such association. The proposed form would also elicit whether the applicant or registrant directly or indirectly controls any partnership, corporation, or other organization which is engaged in the securities or investment advisory business. In the case of broker-dealers, Form BD also would elicit (1) whether persons other than the named principals of the applicant or registrant will or do finance the business directly or indirectly, and (2) the nature of any other business conducted or to be conducted by the registrant or applicant, together with pertinent details if such activities account for 10% or more of the applicant's or registrant's gross income.

A further reason for the proposal to adopt the revised form is the desire to achieve substantial uniformity as between the Commission's forms and those of other regulatory bodies in such a manner as to render the filing of applications and amendments more convenient for applicants and registrants than at present. Over an extended period of time, the North American Securities Administrators have been working on the preparation of a single form for the filing of applications and amendments which may be acceptable to the various state regulatory bodies. The Commission has been informed that 32 state regulatory bodies have already agreed to adopt or are considering the adoption of a form designated as Form U-3, under which the State could accept Form BD and amendments thereto as meeting the State's registration or amendment filing requirements, supplemented only by such additional information as is required by state law or regulation. It is envisioned that this will measurably ease the filing burden of applicants and registrants.

The proposed revision also would effect a change in format in order to make fuller use of available electronic data processing facilities.

TEKTRONIX, INC. FILES FOR SECONDARY. Tektronix, Inc., 14150 S.W. Karl Braun Drive, Beaverton, Oregon 97005, filed a registration statement (File 2-23932) with the SEC on July 17 seeking registration of 230,000 outstanding shares of common stock. These shares are to be offered for public sale by the holders thereof through underwriters headed by Lehman Brothers, 1 William St., New York 10004. The public offering price (\$55.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures precision cathode ray oscilloscopes, used to observe and measure electrical signals and non-electrical phenomena which can be converted to corresponding electrical signals. In addition to indebtedness, the company has outstanding 7,976,486 common shares, of which Howard Vollum (president) owns 26%, M. J. Murdock, 25%, and management officials, 57%. The prospectus lists seven selling shareholders, including Mount Angel Abbey, which proposes to sell all of its holdings of 25,000 shares, the University of Portland, all of its holdings of 7,000 shares; the others, including a group of 31 individuals, propose to sell amounts ranging from 639 to 184,529 shares.

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's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the July 7 News Digest.

H & R Block Inc		Wisconsin Michigan Power Co	
June 67 (7)	2-25127-2	June 67 (7)	0-319-2
Hein Werner Corp	June 67 (7)	Wyandotte Chemicals Corp	
June 67 (7)	1-2725-2	June 67 (4,13)	0-1115-2
Hoover Co	June 67 (3,13)	Zayre Corp	June 67 (11,13)
June 67 (3,13)	0-2031-2		1-4908-2
Internatl Paper Co	June 67 (7)		
June 67 (7)	1-3137-2	Pacific Oil & Gas Development Corp	May 67 (7)
Koppers Co Inc	June 67 (7,13)	1-3757-2	
June 67 (7,13)	1-3224-2	Pan American Sulphur Co	June 67 (2,11,13)
Lunkenheimer Co	June 67 (1,3)	1-4319-2	
June 67 (1,3)	0-342-2	Pargas Inc	June 67 (4,11,13)
Nichigan Consolidated Gas Co		June 67 (4,11,13)	1-5276-2
June 67 (7,8,11,13)	1-3071-2	Poloron Products Inc	June 67 (4,8,13)
Morton International Inc		June 67 (4,8,13)	1-3962-2
June 67 (11)	0-1404-2	Richardson-Merrell Inc	June 67 (3)
Mountain Fuel Supply Co		June 67 (3)	1-1029-2
June 67 (3,4,7,8,13)	1-935-2	Sage Oil Co	June 67 (11)
Parkview Gem Inc		June 67 (11)	1-340-2
June 67 (7,13)	0-9-2	Stein Hall & Co Inc	June 67 (7,8,13)
Raymond Corp	May 67 (11,13)	June 67 (7,8,13)	1-5030-2
June 67 (11,13)	0-2129-2	Texas Instruments Inc	June 67 (13)
Roblin Steel Corp		June 67 (13)	1-3761-2
June 67 (7,9,12,13)	1-5213-2	Tidewater Marine Service Inc	June 67 (7,13)
Roseville Telephone Co		0-1604-2	
June 67 (7,10,11)	0-556-2	Trunkline Gas Co	June 67 (7)
Studebaker Corp	June 67 (12)	June 67 (7)	2-25332-2
June 67 (12)	1-1045-2	Uniservices Inc	June 67 (6,12,13)
Textron Inc	June 67 (7,8)		0-77-2
June 67 (7,8)	1-2684-2	APL Corp	June 67 (7,13)
Toledo Edison Co	June 67 (7,13)	June 67 (7,13)	1-4285-2
June 67 (7,13)	1-3503-2	Albertson's Inc	June 67 (11,12)
Triangle Pacific Forest Products Corp		June 67 (11,12)	0-1552-2
June 67 (11)	1-5127-2	Allied Artists Pictures Corp	Dec 66 (6,8,11,13)
Western Harness Racing Assn		1-2965-2	
June 67 (13)	0-1429-2	American & Efird Mills Inc	June 67 (11,13)
Whittaker Corp		June 67 (11,13)	0-79-2
June 67 (7)	1-5407-2	American Export Isbrandtsen Co Inc	June 67 (7,13)
Wisconsin Electric Power Co		1-5054-2	
June 67 (7)	1-1245-2	American Financial Corp	June 67 (7)
		June 67 (7)	0-839-2
		Angelica Uniform Co	June 67 (4,13)
		June 67 (4,13)	0-4-2
		Arden Mayfair Inc	June 67 (4,11,13)
		June 67 (4,11,13)	1-5281-2
		Barth Spencer Corp	June 67 (2)
		June 67 (2)	1-5261-2

Baystate Corp June 67 (2,7,13) 0-959-2
 Burrough Corp June 67 (7) 1-145-2
 Butterick Co June 67 (7,10) 0-2529-2
 Canada Southern Ry Co June 67 (11) 1-2003-2
 Carson Pirie Scott & Co June 67 (11) 0-1337-2
 Carte Blanche Corp June 67 (3) 0-2049-2
 Champion Parts Rebuilders Inc June 67 (7) 0-277-2
 Chicago South Shore & South Bend RR June 67 (12)
 1-3756-2
 Citation National Life Corp June 67 (13)
 2-23116-2
 Coleman Cable & Wire Co June 67 (11,12) 2-19645-2
 Commonwealth Inc June 67 (7,13) 0-1488-2
 Commonwealth Telephone Co June 67 (11,13)
 0-1094-2
 Continental Oil Co June 67 (7,8,13) 1-1131-2
 Cudahy Co June 67 (6) 1-529-2
 The Deltona Corp June 67 (7) 1-4719-2
 Denny's Restaurants Inc June 67 (7,11,13) 1-5124
 Diamond State Tele Co June 67 (7,13) 2-14897-2
 Diners Club Inc June 67 (11,13) 1-3994-2
 Duncan Electric Co Inc June 67 (11,13) 0-1916-2
 Dynamics Research Corp June 67 (12,13) 0-2470-2
 ES3 Inc June 67 (4,11,13) 1-494-2
 Eaton Yale & Towne Inc June 67 (3) 1-1396-2
 FMC Corp June 67 (11,12,13) 1-2376-2
 Family Record Plan Inc June 67 (13) 1-4769-2
 Famous Artists Schools Inc June 67 (12) 1-4692-2
 Firestone Tire & Rubber Co June 67 (8) 1-484-2
 First Republic Corp of Amer June 67 (3,11,12,13)
 1-437-2
 Gamble Skogmo Inc June 67 (7) 1-3478-2
 General Management Corp June 67 (7,12,13)
 0-2032-2
 General Motors Corp June 67 (3,12,13) 1-143-2
 General Steel Ind Inc June 67 (4,7,13) 1-4008-2
 Glen Alden Corp June 67 (13,2) 1-4180-2
 Grinnell Corp June 67 (3) 0-780-2
 Guardsman Chemical Coatings Inc Jul 66 (4,13)
 1-4704-2
 Gulton Ind Inc June 67 (4,11,13) 1-4330-2
 Harbison-Walker Refractories Co June 67 (8)
 1-1220-2
 Alfred Hart Co June 67 (12) 1-5136-2

 Harvard Ind Inc June 67 (12,13) 1-1044-2
 Heywood-Wakefield Co June 67 (6) 0-1331-2
 Higbee Co June 67 (4,7,11,13) 0-1406-2
 Holly Sugar Corp June 67 (4,7,11,12,13) 1-2270-2
 Homestake Mining Co May 67 (11) 1-1235-2
 Hygrade Food Products Corp June 67 (3) 1-318-2
 Illinois Central Ind Inc June 67 (12,13) 1-4710-2
 Informatics Inc June 67 (11) 2-24589-2

 Investment Corp of Florida June 67 (7,13) 0-1796-2
 Jebco Inc June 67 (4,7,8,10,13) 0-2423-2
 Kearney & Trecker Corp June 67 (2,7,13) 0-62-2
 Kent-Moore Corp June 67 (11,12) 0-1596-2
 Kentucky Power Co June 67 (7,10,11,13) 2-7928-2
 Kysor Ind Corp June 67 (3,13) 1-3609-2
 Lighting Dynamics Inc June 67 (2,12,13) 1-3889-2
 Lone Star Gas Co Texas June 67 (7,13) 1-3183-2
 Los Angeles Inv Co June 67 (13) 0-736-2
 Louisville & Nashville RR Co June 67 (3) 1-1116-2
 The E F Mac Donald Co June 67 (2,7,13) 0-1425-2
 Mallinckrodt Chemical Works June 67 (7) 0-1274-2
 Nedusa Portland Cement Co June 67 (4,7,13)
 1-1274-2
 Midwestern Financial Corp of Kansas Inc June 67
 (11) 0-2046-2
 The Miller-Wohl Co Inc June 67 (4,7,13) 1-3256-2
 Missouri Utilities Co June 67 (7,13) 0-402-2
 Monon RR June 67 (7,13) 1-3345-2
 Montana Power Co June 67 (4,13) 1-4566-2
 Murphy Pacific Marine Salvage Co June 67 (11)
 0-2198-2
 NVF Co June 67 (3,13) 1-3290-2
 Napco Ind Inc May 67 (11,13) 1-1281-2
 National Terminals Corp June 67 (4,11,13) 0-1644-2
 Nebraska Consolidated Mills Co June 67 (4,13)
 0-1826-2
 Needham Packing Co Inc June 67 (4,11,13) 1-4662-2
 Norfolk and Western Ry Co June 67 (3,7,13) 1-546-2
 North American Aviation Inc June 67 (11,12,13)
 1-1035-2
 Northwest Production Corp June 67 (11,13) 0-298-2
 Old Town Corp June 67 (1,6,11,12,13) 1-3601-2
 Omark Ind Inc June 67 (12,13) 1-5385-2
 Opelika Mfg Corp June 67 (7) 1-4160-2
 Paramount Pacific Inc June 67 (13) 0-665-2
 Pennsylvania Life Co June 67 (1,8) 0-896-2
 Philadelphia Transportation Co June 67 (11)
 1-3565-2
 Thrift Plan of Phillips Petroleum Co & Subs Cos
 & Phillips Petroleum Co June 67 (7) 2-10326-2
 Pioneer Natural Gas Co June 67 (7) 0-525-2
 Pittsburgh Plate Glass Co June 67 (12) 1-1687-2
 Portland General Electric Co June 67 (12) 0-986-2
 Prairie Oil Royalties Co Ltd June 67 (1) 1-3955-2

 Public Service Co of Indiana Inc June 67 (12,13)
 1-3543-2
 Public Service Electric & Gas Co June 67 (7,13)
 1-973-2
 Reynolds Metals Co June 67 (8) 1-1430-2
 A H Robins Co Inc June 67 (7,13) 1-5047-2
 Rodney Metals Inc June 67 (7) 1-4567-2

SECURITIES ACT REGISTRATIONS. Effective July 17: First Lincoln Financial Corp., 2-26687; Florida Power Corp., 2-26766; GMH Oil Co., 2-26313 (90 days); Millcraft Corp., 2-26507 (40 days); Patterson-Smith, Inc., 2-26532 (90 days). Withdrawn July 17: Bangor Punta Alegre Sugar Corp., 2-24756.

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.

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