

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**ALABAMA POWER PROPOSES OFFERING.** Alabama Power Company, 600 N. 18th St., Birmingham, Ala. 35202, filed a registration statement (File 2-27238) with the SEC on September 7 seeking registration of \$28,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be applied, together with other funds, toward the company's 1967 construction program, estimated at \$80,834,000 (of which \$39,670,000 had been expended through June 30). The company's 1967-69 construction program is estimated at \$214,413,000.

**COLUMBUS & SOUTHERN OHIO ELECTRIC PROPOSES OFFERING.** Columbus and Southern Ohio Electric Company, 215 N. Front St., Columbus, Ohio 43215, filed a registration statement (File 2-27241) with the SEC on September 7 seeking registration of \$15,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. Net proceeds will be added to its general funds; and a portion of such funds will be used to retire \$15,000,000 of bank loans. The bank loans, which aggregated \$27,000,000 at August 15, were incurred principally to pay in part the cost of property additions and improvements. Construction expenditures for the period August 1, 1967, to December 31, 1968, are estimated at \$48,000,000.

**MONTGOMERY WARD CREDIT PROPOSES OFFERING.** Montgomery Ward Credit Corporation, 100 W. 10th St., Wilmington, Del., filed a registration statement (File 2-27242) with the SEC on September 7 seeking registration of \$50,000,000 of debentures, due 1987, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company, all the outstanding stock of which is owned by Montgomery Ward & Co., Inc., is engaged in the financing of deferred payment accounts for the parent. Net proceeds of its debenture sale will be used to purchase additional deferred payment accounts from the parent. Gordon R. Worley is president.

**SPECIAL STUDIES PROPOSES OFFERING.** Special Studies, Inc., 122 E. 42d St., New York 10017, filed a registration statement (File 2-27243) with the SEC on September 7 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made by Dryfoos, Ellis & Kluger, 26 Broadway, New York 10006, on a best efforts, all or none basis; and it will receive a 20¢ per share selling commission.

The company is engaged in the business of providing consulting and research services to industry, specializing in the application of computer technology and the techniques of management science; it is said to be in the early stages of development. Net proceeds of the company's stock sale will be used for general corporate purposes. The company now has outstanding 414,000 common shares; and an additional 50,000 shares are to be issued upon conversion of \$10,000 of promissory notes at the conversion price of 20¢ per share. Nachman Bench, president and board chairman, owns 74.9% of the outstanding stock. According to the prospectus, purchasers of the new shares at \$2 per share will have paid (if the offering is successful) \$400,000 for a 30.1% equity interest in the company; present shareholders will own a 69.9% interest for which the company received a total consideration of \$26,000 (\$.056 per share).

**SITKIN SMELTING PROPOSES OFFERING.** Sitkin Smelting & Refining, Inc., Lewistown, Pa., 17044, filed a registration statement (File 2-27244) with the SEC on September 7 seeking registration of 275,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Scheinman, Hochstin & Trotta, Inc., 111 Broadway, New York 10001; and the offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Scheinman firm (for \$220), six-year warrants for the purchase of 22,000 common shares.

The company is engaged in various phases of the metals business - its principal activity is the secondary smelting and refining of non-ferrous metals from scrap secondary material. Net proceeds of the stock sale will be used for the development of additional business activities and for working capital purposes; the company is said to be engaged in an expansion and diversification program to develop new activities in related fields and to adopt new processes in existing operations. The company now has outstanding 585,000 common shares, all owned by Lewis Sitkin, board chairman, Joseph J. Sitkin, president, and other members of the Sitkin family.

**CENTRAL MUTUAL TELEPHONE PROPOSES OFFERING.** Central Mutual Telephone Company, Inc., Manassas, Va., filed a registration statement (File 2-27245) with the SEC on September 7 seeking registration of 20,947 shares of common capital stock. The stock is to be offered for subscription by stockholders at \$50 per share, and at the rate of one new share for each ten shares held. The offering is to be underwritten by Folger, Nolan, Fleming & Co., Inc., of 725 - 15th St., N. W., Washington, D. C. 20005; and the underwriting commission will range from \$.40 to \$1.40 per share depending on the number of shares subscribed for by stockholders.

The company renders local and toll telephone service to most of Prince William and Stafford Counties and part of Fairfax County, Va. Proceeds of its stock sale will be used to partially repay an outstanding bank loan commitment of \$3,000,000 due December 31 (as of June 30, \$2,650,000 of this commitment had been drawn down). In addition to indebtedness, the company has outstanding 209,474 common shares, of which management officials own 22.2%. George B. Cocke is president.

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**PLATRONICS FILES FOR SECONDARY.** Platronics, Inc., 500 Commerce Rd., Linden, N. J. 07036, filed a registration statement (File 2-27246) on September 7 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by the holders thereof at \$4 per share. The offering is to be made through underwriters headed by A. D. Gilhart & Co., Inc., 295 Madison Ave., New York, which will receive a 40¢ per share commission. The selling stockholders have agreed to sell to the Gilhart firm, for \$160, warrants expiring December 31, 1970, to purchase 16,000 shares at \$5 per share.

The company is engaged in precision electroplating of semiconductor products and electronic and electrical components used in computers, data processing and communication equipment, and microwave amplification equipment. The company electroplates primarily with precious metals. It has outstanding 1,000,000 common shares. John R. Palumbo president, and Alphonse C., Anthony J. and Anthony F. Palumbo, officers, own 245,000 shares of the outstanding stock. Each proposes to sell 62,500 shares to the underwriters.

**FIVE TRADING BANS CONTINUED.** The SEC has issued orders suspending trading in securities of Roto American Corp. and Steel Crest Homes, Inc., for the ten-day period September 9-18, inclusive, and in securities of Continental Vending Machine Corp., Pakco Companies, Inc., and Westec Corporation, for the ten-day period September 10-19, inclusive.

**CITRUS PROMOTION ENJOINED.** The SEC Fort Worth Regional Office announced September 1 (LR-3802) that, on complaint filed by the Commission, the U. S. District Court in Brownsville, Tex., entered an order enjoining violations of the Securities Act registration and anti-fraud provisions by Palm Shores, Inc., and Texcitrus Land Co., Inc., Texas corporations, and William T. Ellis, president of both companies, John Thomas Cross, R. F. Pool, Jr., and William W. Curl, doing business as Curtitex Citrus Nursery, all residents of Hidalgo County, Texas, and Curtis C. Davis, of Oklahoma City, Okla. The defendants consented to entry of the court order. The complaint alleged that the defendants offered and sold unregistered investment contracts arising out of the sale of citrus orchards, and land said to be suitable for citrus orchards, located in the Rio Grande Valley of Texas, and in connection therewith made false and misleading representations.

**SENTENCES IMPOSED IN OIL FRAUD CASE.** The SEC Denver Regional Office announced September 5 (LR-3803) that the U. S. District Court in Lincoln, Nebr., imposed a five-year sentence upon D. A. Von Feldt of Wichita, Kansas, following his conviction of fraud in the sale of oil interests on federally-owned land in New Mexico. Howard D. Mitchell of Denver received a like sentence, and Roy E. Crist of Lincoln, who entered a guilty plea, received a 3-year sentence. The Inland Oil Company of Wichita received a \$9,000 fine.

**OHIO POWER PROPOSES BORROWINGS.** The SEC has issued an order under the Holding Company Act (Release 35-15848) giving interested persons until October 19 to request a hearing upon a proposal of Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to borrow from banks through 1968 sums aggregating not to exceed \$67,000,000 outstanding at any one time. The funds will be used to reimburse the company's treasury for past expenditures in connection with its construction program, to pay part of the cost of future construction (involving expenditures estimated at \$120,000,000 through 1968), and for other corporate purposes.

**SBIC OF N.Y. SEEKS ORDER.** Small Business Investment Company of New York, Inc., 64 Wall St., New York, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed sale of certain securities of Varifab, Inc., to Condec Corporation; and the Commission has issued an order (Release IC-5077) giving interested persons until September 28 to request a hearing thereon. Under the proposal, SBIC would receive a new \$342,039 note from Varifab in exchange for an existing note in like amount and warrants for the purchase of 63,000 shares of Varifab stock; and SBIC of NY would loan Varifab \$100,000 represented by a Varifab note convertible into common stock of Varifab. Both notes would be sold to Condec for (a) 6,000 shares of Condec stock, (b) \$125,000 or, at SBIC's option, 4,032 additional shares of Condec common and (c) \$100,000. The president of Varifab also would sell 174,936 shares of Varifab stock to Condec for \$60,000 or the equivalent in Condec stock; and the president would enter into an employment agreement with Condec; and Varifab would issue to Condec an option to purchase 60,000 shares at 74¢ per share.

**SECURITIES ACT REGISTRATIONS.** Effective September 7: Walker-Scott Corp., 2-26963 (40 days).

**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.