

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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SEC

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FIRM CENSURED; OFFICER BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8173) censuring Oxford Securities, Inc., of Springfield, Mass., and barring Herman Speiser, an officer and director, from further association with any broker or dealer. The respondents consented to the imposition of these sanctions.

According to the Commission's decision, during a three-year period prior to May 1966 Speiser engaged in activities violative of the anti-fraud provisions of the Federal securities laws, in that he induced securities transactions in the accounts of customers which were excessive in size and frequency in view of the character of such accounts; failed to disclose to customers his adverse interest in such transactions and the status of their accounts upon request; induced a customer to sell certain securities in the amount of \$10,000 and loan Speiser the proceeds, misrepresenting the nature of the mortgage given to the customer as security for the loan, the amount of interest that would be paid on the mortgage and the manner in which payments would be made, and the comparative value of the mortgage and the customer's current investments; and falsely represented to a customer that funds due him would be used to purchase securities. Oxford Securities was censured for its failure to supervise properly Speiser's handling of customers' accounts.

As part of its offer of settlement of these proceedings, Oxford Securities agreed to issue notes to two customers, in the amounts of \$2,000 and \$3,000, respectively, payable within two years. Speiser, Guy A. Martone, the firm's president, and Raymond W. Cocchi, vice president and treasurer, each agreed to guarantee one-third of such notes.

SWIFT CO. SEEKS ORDER. Swift and Company, 115 W. Jackson Blvd., Chicago, Ill., has filed an application with the SEC pursuant to provisions of the Trust Indenture Act of 1939, seeking a Commission determination that the trusteeship of the First National Bank of Chicago under a 1947 trust indenture which was qualified under the Act, and its trusteeship under a new indenture dated August 1, 1967, which was not so qualified, "is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify First National from acting as trustee under the 1947 indenture" and the new, 1967 indenture. Interested persons may request a hearing upon the application not later than November 7, 1967.

Swift and Company has outstanding, among other debentures, \$20,000,000 of 25-year 2-5/8% debentures due 1972, issued under the 1947 indenture (of which \$2,273,000 are held in its treasury). It proposes to issue \$50,000,000 of 6.30% 25-year debentures (due 1992) under the 1967 indenture, to be sold to and purchased for investment by a limited number of institutional purchasers.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of North American Research & Development Corp., for the further ten-day period October 8-17, 1967, inclusive; and in securities of Roto American Corp., for the further ten-day period October 9-18, 1967, inclusive.

ROBERT V. EHRMAN ENJOINED. The SEC Seattle Regional Office announced October 3 (LR-3822) the entry of a Federal court judgment in Seattle permanently enjoining Robert V. Ehrman of Lake Charles, La., from further violations of the registration provisions of the Securities Act in the offer and sale of undivided interests in oil and gas leases. The defendant consented to the entry of the judgment.

MISSISSIPPI POWER SEEKS ORDER. The Mississippi Power Company, Gulfport, and its parent, The Southern Company, have applied to the SEC for an order under the Holding Company Act authorizing the subsidiary to issue and sell, at competitive bidding, \$10,000,000 of first mortgage bonds, due 1997, and to issue and sell to its parent, for \$1,000,000, 10,000 additional shares of common stock; and the Commission has issued an order (Release 35-15868) giving interested persons until November 3 to request a hearing thereon. Net proceeds of the sale of the bonds and common stock will be applied by Mississippi, together with funds available from other sources, to finance its 1967 construction program (estimated at \$29,094,000) and to repay short-term bank borrowings.

UNLISTED TRADING APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-8174) granting applications of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stocks of American Photocopy Equipment Co., Avon Products, Inc., Collins Radio Company, Combustion Engineering, Inc., Corning Glass Works, Delta Air Lines, Inc., Federal Resources Corp., Honeywell Inc., Joy Manufacturing Company, Lukens Steel Company, Time Incorporated, and Glen Alden Corporation (Delaware).

LONG ISLAND LIGHTING FILES FOR RIGHTS OFFERING. Long Island Lighting Company, 250 Old Country Road, Mineola, N. Y. 11501, filed a registration statement (File 2-27440) with the SEC on October 4 seeking registration of 301,994 shares of convertible preferred stock, Series I. The stock is to be offered for subscription by common shareholders of record on October 25, 1967, at the rate of one preferred share for each 60 common shares then held. The dividend rate, subscription price (\$110 per share maximum*) and underwriting terms are to be supplied by amendment. The First Boston Corp., 20 Exchange Pl., and Blyth & Co., Inc., 14 Wall St., both of New York 10005, are listed as the principal underwriters.

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An electric and gas utility, the company will use the net proceeds from its sale of preferred stock to repay short-term bank loans incurred to construct a utility plant and the balance will be used for such construction. Construction expenditures from September 1, 1967 to December 31, 1969 are expected to aggregate some \$190,000,000. In addition to indebtedness and preferred stock, the company has outstanding 18,119,661 common shares, of which management officials own 1.64%. Errol W. Doebler is board chairman and John J. Tuohy is president.

HAMCO MACHINE FILES FOR OFFERING AND SECONDARY. Hamco Machine & Electronics Corp., 250 N. Goodman St., Rochester, N. Y. 14607, filed a registration statement (File 2-27441) with the SEC on October 4 seeking registration of 260,000 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 60,000 (being outstanding stock) by the present holders thereof. The public offering price (\$5.00 per share maximum*) and underwriting terms are to be supplied by amendment. George D. B. Bonright & Co., 1 West Main St., Rochester, N. Y. 14614 is listed as the principal underwriter. The company has agreed to sell to the underwriter 20,000 common stock purchase warrants at 1¢ per warrant.

The company is principally engaged in the development and manufacture of machines which automatically precision cut, slice and grind at high speed various solid state semiconductor materials in a form to be used in the production of electronic circuit components. Of the net proceeds of its sale of additional shares, \$335,000 will be used for additional capital equipment to facilitate increased production of existing product lines and to produce future products; \$295,000 for research and development, \$60,000 to equip a laboratory to support the foregoing activities; and the balance will be added to general working capital. In addition to indebtedness, the company has outstanding 386,715 common shares, of which management officials own 70.8%. The prospectus lists seven selling shareholders. Bernard Kozel (board chairman) proposes to sell 18,000 of his holdings of 120,525 shares, Max Kravetz (secretary), 15,000 of 89,450, and Robert G. Heinrich (president), 9,000 of 51,591; the others propose to sell shares ranging in amount from 1,000 to 7,000 shares.

TENNECO CORP. TO SELL DEBENTURES. Tenneco Corporation, Wilmington Trust Bldg., Wilmington, Del. 19899, filed a registration statement (File 2-27442) with the SEC on October 4 seeking registration of \$202,857,900 of subordinated debentures, due 1992. The debentures are exchangeable through September 1978 for common stock of Tenneco Inc. which owns all of the outstanding stock of Tenneco Corporation. It is proposed to offer the debentures for subscription at 100% of principal amount by common stockholders of the parent of record on October 20, 1967, and at the rate of \$100 of debentures for each 25 common shares then held. The interest rate and underwriting terms are to be supplied by amendment. Stone & Webster Securities Corporation, 90 Broad St., New York 10004, and three other firms, are listed as the principal underwriters. Also included in the registration statement are an unspecified number of the parent's common shares for which the debentures are exchangeable.

The issuer is engaged in the oil and gas, chemicals, packaging, land use and development, manufacturing and other businesses. Net proceeds of its debenture sale will be added to general funds and used to pay approximately \$65,000,000 of short-term notes outstanding under its credit agreement and to repay approximately \$65,000,000 of advances from the parent; the balance will be used to make advances to subsidiaries. In addition to indebtedness, the company has outstanding 12,000,000 common shares which, as indicated, are owned by the parent. The parent owns and operates natural gas transmission systems; in addition to indebtedness, it has outstanding 51,636,808 common shares. Gardiner Symonds is board chairman of both the company and the parent; N. W. Freeman is president of the parent and C. B. Nourse is president of the company.

SECURITIES ACT REGISTRATIONS. Effective October 5: Crum and Forster, 2-27085 (90 days); Dalto Electronics Corp., 2-26810 (40 days); Farrington Manufacturing Co., 2-27065; Preston Mines Ltd., 2-27197 (40 days); Rio Algom Mines Ltd., 2-27198 (40 days); Saturn Industries, Inc., 2-27116 (40 days); Wyoming Industrial Development Corp., 2-26917 (90 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.

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