

# 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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(Issue No. 67-205)

FOR RELEASE October 24, 1967

**PENNSYLVANIA ELECTRIC SEEKS ORDER.** Pennsylvania Electric Company ("Penelec"), Johnstown, Pa., subsidiary of General Public Utilities Corporation, has applied to the SEC for an order under the Holding Company Act with respect to its proposal to assist two nonaffiliated coal companies to complete development of mines to supply the coal requirements of a generating station owned in part by Penelec; and the Commission has issued an order (Release 35-15882) giving interested persons until November 16 to request a hearing thereon.

Penelec and New York State Electric & Gas Corporation ("NYSE&G") each owns a fifty percent interest in an electric generating station, known as the Homer City station, now under construction near Johnstown. The Homer City station is adjacent to undeveloped coal deposits held by two nonaffiliated corporations, Helvetia Coal Company ("Helvetia") and Helen Mining Company ("Helen"). Penelec and NYSE&G have negotiated long-term agreements with Helvetia and Helen which provide, among other things, for the financing of the development of the mines and the supply of substantially all of the Homer City station coal requirements (the total cost of developing the mines is estimated at \$15,000,000 for Helvetia and \$11,000,000 for Helen); and each proposes to acquire an additional \$7,500,000 of notes of Helvetia and an additional \$5,500,000 of notes of Helen.

**CLAUDE M. BOND, OTHERS, ENJOINED.** The SEC Fort Worth Regional Office announced October 19 (LR-3831) the entry of a Federal court judgment in Dallas permanently enjoining Claude M. Bond, Gideon Church Builders, Inc. and Gideon Bond Company, all of Dallas, from further violations of the anti-fraud provisions of the Securities Act and the broker-dealer registration provision of the Securities Exchange Act in the offer and sale of bonds of thirty-one churches in Texas, Louisiana, Illinois and Tennessee. Bond is an officer of Gideon Church Builders, Inc. and Gideon Bond Company.

**LUM'S INC. FILES FOR OFFERING AND SECONDARY.** Lum's Inc., 5050 Biscayne Blvd., Miami, Fla., filed a registration statement (File 2-27510) with the SEC on October 20 seeking registration of \$4,500,000 of 5% convertible subordinated debentures, due 1987, to be offered for public sale by the company and 60,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Van Alstyne, Noel & Co., 4 Albany St., New York 10006 is listed as the principal underwriter. The debentures are to be offered at 100% of principal amount, with a 4% commission to the underwriters. The public offering price of the stock and the underwriting terms are to be supplied by amendment.

The company's subsidiaries and franchisees operate low-priced specialty restaurants in fourteen states and Puerto Rico. Of the net proceeds of its sale of debentures, \$1,000,000 will be applied to purchasing possible restaurant sites, \$1,000,000 will be applied to constructing restaurants on such sites, \$1,000,000 will be applied to equipping company restaurants, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,435,665 common shares (adjusted for a 3 for 1 stock split), of which management officials own 31.4%. The prospectus lists two selling stockholders. Stuart Perlman (president) and Clifford Perlman (board chairman) each proposes to sell 30,000 of his holdings of 219,045 and 211,050 shares, respectively.

**SANTA FE DRILLING FILES FOR OFFERING AND SECONDARY.** Santa Fe Drilling Company, 11015 S. Bloomfield Ave., Santa Fe Springs, Calif. 90670, filed a registration statement (File 2-27516) with the SEC on October 20 seeking registration of \$17,500,000 of convertible subordinated debentures, due 1987, to be offered for public sale by the company, and 48,535 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The interest rate on and offering price of the debentures, public offering price of the stock (\$50 per share maximum\*), and underwriting terms are to be supplied by amendment. Dean Witter & Co., 14 Wall St., New York 10005, and two other firms are listed as the principal underwriters.

The company's business is divided into four categories: offshore and onshore oil and gas well contract drilling; engineering and construction; chartering and operating crew and supply boats for the offshore petroleum industry; and oil and gas operations. Of the net proceeds of its debenture sale, \$5,300,000 will be used for the construction and equipping of a newly designed semi-submersible drilling barge scheduled for completion in April 1968, \$2,000,000 to repay short-term indebtedness incurred by the company primarily to finance the construction and equipping of drilling rigs for use in Alaska, \$2,560,000 to retire term indebtedness incurred in connection with the refinancing of loans on the crew and supply boats, and \$6,194,000 to retire other term indebtedness; the balance may be used to purchase equipment required for the performance of drilling contracts or added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 2,128,372 common shares, of which management officials own 15.3%. Ed. L. Shannon, Jr. is president. The prospectus lists 35 selling stockholders. Robert N. Pomeroy proposes to sell 17,261 of his holdings of 87,261 shares, Nora P. Plant, 8,172 of 34,050, and D. G. Whittemore, 2,726 of 11,361 shares held; the others propose to sell shares ranging in amount from 49 to 2,447 shares. Each of the selling stockholders was formerly a stockholder of J. H. Pomeroy & Co., Inc., of San Francisco. On September 28, 1967, Santa Fe Drilling issued 250,000 shares of its common stock to the stockholders of Pomeroy in exchange for all of the outstanding stock of Pomeroy. Pomeroy is engaged in performing engineering and construction services for private and public interests in the United States

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**R. C. L. ELECTRONICS FILES FOR SECONDARY.** R. C. L. Electronics, Inc., 700 S. 21st St., Irvington, N. J., filed a registration statement (File 2-27517) with the SEC on October 20 seeking registration of 250,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Andresen & Co., Inc., 140 Broadway, New York 10007. The public offering price (\$17.00 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture, distribution and sale of electronic and electrical circuit components. In addition to indebtedness, it has outstanding 834,000 common shares. The prospectus lists two selling stockholders. Edward L. Grayson (president) and Bernard J. Perry (executive vice president) each proposes to sell 125,000 of his holdings of 391,980 shares.

**GULF RESOURCES & CHEMICAL SHARES IN REGISTRATION.** Gulf Resources & Chemical Corporation, 2125 Tennessee Bldg., Houston, Tex. 77002, filed a registration statement (File 2-27419) with the SEC on October 20 seeking registration of 12,823 shares of Series A cumulative convertible preferred stock. These shares are to be offered to former employees of Lithium Corporation of America, Inc. and its subsidiary, Beryllium Metals & Chemicals Corporation, who participated in the stock purchase plan of Lithium. The plan terminated on the effective date of the merger of Lithium into Gulf. Gulf has granted to each such participating employee the right to purchase shares of Series A preferred in lieu of the shares of common stock of Lithium which such employee would otherwise have been able to purchase under the plan had it not been terminated.

**FIRST CHURCH FINANCING PROPOSES BOND OFFERING.** First Church Financing Corporation of America, The Security Building, 215 N. Main St., West Bend, Wisc., filed a registration statement (File 2-27521) with the SEC on October 20 seeking registration of \$2,450,000 of collateral trust serial bonds VIII, dated November 1, 1967 (with a 2% reserve fund for interest payments and a contingent retirement fund). The bonds are to be offered for public sale at 100% of principal amount through underwriters headed by B. C. Ziegler and Company, West Bend, Wisc. 53095, which will receive a 1-1/2% commission.

The company was organized under Delaware law on February 25, 1964, for the primary purpose of financing loans to churches, hospitals, and other charitable, religious, eleemosynary, and non-profit institutions. It is a wholly-owned subsidiary of The Security Company, a Wisconsin corporation. Both the company and its parent were organized by and are affiliated with the underwriter. Of the net proceeds of its bond sale, \$2,345,237.50 will be used by the company to purchase from the underwriter the collateral for this bond issue, and the balance will be used to establish the 2% reserve fund for interest payments in the amount of \$49,000 which is additional security for the bonds. In addition to indebtedness, the company has outstanding 50,000 common shares. Thomas J. Kenny is president.

**TRANSPORTATION CONSULTANTS PROPOSES OFFERING.** Transportation Consultants International, 6290 Sunset Blvd., Los Angeles, Calif. 90028, filed a registration statement (File 2-27524) with the SEC on October 23 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$5.00 per share. The offering is to be made through underwriters headed by Rutner, Jackson & Gray, Inc., 811 W. 7th St., Los Angeles, which will receive a 50¢ per share commission. Peter V. Ueberroth (president, board chairman, and sole stockholder of the company) has granted options to the underwriter to acquire 22,500 of his holdings of common shares.

The company is primarily engaged in a phase of the domestic and international travel and transportation industry, furnishing sales representation, market research, consulting and executive services to airlines, government tourist bureaus, ship, bus and car rental concerns, and to others. Of the net proceeds of its stock sale, \$180,000 will be used to establish and staff, or acquire, a sales office in twelve additional cities; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 225,000 common shares, all owned by Ueberroth. According to the prospectus, the company was organized by Ueberroth in 1963 as Transportation Consultants, Inc.; in January 1965 it succeeded to the business and good will of Ueberroth, doing business as Transportation Consultants, a sole proprietorship organized by him in 1961. The company's outstanding stock, acquired by Ueberroth in 1966 at \$1,000, had a book value of \$94,884 at September 30. Upon completion of the public offering, the public will have invested \$375,000 for which it will have received 25% of the then-outstanding stock; and the per-share book value will be about \$1.44.

**MICHIGAN SPEEDWAY PROPOSES OFFERING.** Michigan International Speedway, Inc., 2990 W. Grand Blvd., Detroit, Mich. 48202, filed a registration statement (File 2-27525) with the SEC on October 23 seeking registration of \$2,400,000 of 8% subordinated debentures, and 150,000 shares of common stock, to be offered for public sale in units consisting of \$400 of debentures and 25 common shares. The offering is to be made at \$500 per unit through underwriters headed by Graham Loving & Co., 111 Broadway, New York, which will receive a \$50 per unit commission. The company has agreed to sell to the underwriter, for \$600, 15,000 five-year common stock purchase warrants, exercisable at \$4 per share, and to pay to the underwriter \$25,000 for expenses.

The company was organized for the purpose of constructing and operating an automobile race track in the Detroit area. The track will be a two-mile semi-banked oval plus a two and three quarter mile road track. It proposes to hold stock car racing, championship car racing and Grand Prix racing; it also proposes to lease the track to automobile, automotive parts, tire and gasoline companies for use as test facilities and in connection with their racing programs. Net proceeds of this financing will be applied toward the cost of the real estate and the construction and operation of the track, the balance will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 150,000 common shares, of which management officials own 61.37% (including 30.53% owned by Lawrence H. LoPatin, president).

**TWENTIETH CENTURY-FOX PROPOSES RIGHTS OFFERING.** Twentieth Century-Fox Film Corporation, 444 W. 56th St., New York 10019, filed a registration statement (File 2-27526) with the SEC on October 23 seeking registration of \$28,138,600 of convertible subordinated debentures, due 1992. The debentures are to be offered for subscription by stockholders on the basis of \$100 of debentures for each 25 common shares held (after giving effect to a proposed 2 for 1 stock split on November 6). The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Lehman Brothers, 1 William St., New York 10004, is listed as the principal underwriter.

The company is engaged primarily in the production and distribution of motion pictures; it also holds foreign theatre interests. Net proceeds of its debenture sale will be used to repay bank borrowings, originally incurred for working capital purposes (primarily for the maintenance of inventory). In addition to indebtedness, the company has outstanding 7,034,650 common shares (after giving effect to the stock split), of which management officials own 5.1%. Darryl F. Zanuck is president and Spyros P. Skouras, board chairman.

**NORTHEAST UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15884) approving an application filed by Northeast Utilities, Boston holding company, and its subsidiary, The Connecticut Light and Power Company, Hartford, Conn. ("Power Company"), proposing the sale by Power Company of The Rocky River Realty Company ("Rocky River") to Northeast. Rocky River has been engaged in acquiring land needed by the Power Company in its public utility operations for office and service buildings, generating plants, substations, transmission rights-of-way and other projects. Upon its sale to Northeast, Rocky River also will perform similar services for other companies in Northeast's system. It will issue notes to Northeast from time to time to finance its operations (including repayment of \$858,750 of notes held by the Power Company).

**STOCK PLANS FILED.** The following companies have filed Form S-8 registration statements with the SEC proposing the issuance of stock under employee stock option and related plans:

Coastal States Gas Producing Company, Corpus Christi, Texas 78403 (File 2-27498) - 67,130 common shares  
 Kern County Land Company, San Francisco, Calif. 94108 (File 2-27522) - \$245,000 of contributions by participating employees in the company's investment and profit sharing plan, 2,333 shares of cumulative convertible preference stock, due 1969, and 8,000 shares of common stock of Tenneco, Inc. (The companies participating in the plan are all subsidiaries and affiliates of Tenneco Inc., which owns the outstanding stock of Kern County Land Company.)  
 Harris-Intertype Corporation, Cleveland, Ohio 44113 (File 2-27523) - 40,000 common shares

**CHRISTIAN FILMS, OTHER, ENJOINED.** The SEC Washington Regional Office announced October 20 (LR-3832) the entry of a Federal court judgment in the District of Columbia permanently enjoining Christian Films of America, Inc. and Dan H. Brown II, of Washington, D. C., from further violations of the registration provisions of the Securities Act in the offer and sale of Christian Films stock. The defendants, without admitting or denying the allegations, consented to the entry of the decree.

**SEC COMPLAINT NAMES PENROSE INDUSTRIES.** The SEC on October 20 filed a Federal court action (USDC Philadelphia) seeking to compel Penrose Industries Corporation of Philadelphia to comply with the reporting provisions of the Securities Exchange Act. Also named as defendants were Harry S. Syk, William H. Syk and Sidney Goldstein, company officials. (LR-3833)

**WOODWARD OIL, OTHERS, ENJOINED.** The SEC Denver Regional Office announced October 6 (LR-3834) the entry of a Federal court order in Denver preliminarily enjoining Woodward Oil, Inc., Goldfish Mines Corporation, Golden Roc Corporation, James Colby Danielson, Glen Dial, Jr. and Gary L. Grauberger, from further violations of the registration provisions of the Securities Act in the sale of stock of Woodward and Goldfish Mines. In addition, defendants Woodward, Goldfish Mines, Danielson and Dial were also enjoined from further violations of the anti-fraud provisions of the Federal securities laws.

**CORRECTION RE LITTON INDUSTRIES.** The SEC News Digest of July 28 should have stated that the SEC had granted an application of the Midwest Stock Exchange for unlisted trading privileges in the convertible preference stock of Litton Industries, Inc., not its common stock.

**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 October 2 News Digest.

Allison Steel Mfg Co Sept 67 (1)	1-5403-2
Amer Realty & Petroleum Corp Sept 67 (11,13)	1-4702-2
Basic Inc Sept 67 (7,13)	1-3032-2
Bloomfield Bldg Ind Inc Sept 67 (7,12,13)	1-4608-2
Capitol Land Title Ins Inc Jun 67(2,13)	0-2041-2
Electro Voice Inc Aug 67 (2,11,13)	1-4655-2
Central Aguirre Sugar Co Sept 67 (2,13)	1-510-2
Central Louisiana Elec Co Inc Sept 67 (12,13)	0-1272-2
Chematron Corp Sept 67 (7)	1-3061-2

Columbia Pictures Corp Sept 67 (7,13)	1-3108-2	Mosinee Paper Mills Co Sept 67 (11)	0-1732-2
Continental Securities Corp Sept 67 (12,13)	2-23494-2	Natl Co Inc Sept 67 (2,9,13)	1-4369-2
Cubic Corp Aug 67 (7,13)	1-4227-2	Natl Equipment Rental Ltd Sept 67 (11,13)	1-4358-2
Digital Equipment Corp Sept 67 (12)	1-5296-2	New Britain Machine Co Sept 67 (7)	0-521-2
Dragor Shipping Corp Sept 67 (11,12,13)	0-191-2	Norwich Pharmacal Co Sept 67(4,7,11,13)	1-3113-2
Dynamics Corp of Amer Sept 67 (7)	1-4686-2	Pearce-Simpson Inc Sept 67 (12)	0-595-2
Electronic Devices Inc Sept 67 (7,8,12)	0-2832-2	Rectisel Corp Sept 67 (7,8,12)	0-2831-2
Fansteel Metallurgical Corp Sept 67 (12,13)	1-2331-2	Renaire Foods Inc Sept 67 (3,11)	0-1074-2
Farmers Union Cooperative Marketing Assoc Sept 67 (7,8)	2-22230-2	Republic Corp Sept 67 (7,13)	1-3286-2
GF Ind Inc Sept 67 (2,13)	1-4273-2	The Rouse Co Aug 67 (7,13)	0-1743-2
Global Ind Inc Aug 67 (2,6,13)	2-20526-2	Safran Printing Co Sept 67 (1)	0-1436-2
Granite Equipment Leasing Corp Sept 67 (11,13)	1-5421-2	San Juan Racing Assoc Inc Oct 67 (12)	0-1721-2
Great Western Sugar Co Sept 67 (11,13)	1-372-2	Save-Mor Supermarkets Inc Sept 67 (12)	0-2345-2
Gulf Amer Corp Sept 67 (12)	1-4470-2	Schlumberger N V Sept 67 (6K)	1-4601-2
Harvard Ind Inc Sept 67 (12,13)	1-1044-2	Simkins Ind Inc Sept 67 (12,13)	1-5204-2
Hershey Chocolate Corp Sept 67 (12)	1-183-2	Southwestern Elec Power Co Sept 67 (10,11,13)	1-3146-2
Hotel Equities Corp Aug 67 (2,11,13)	0-2161-2	Struthers Scientific & Internatl Corp Sept 67 (11)	0-2702-2
Icoa Life Ins Co Sept 67 (2,13)	0-1701-2	Struthers-Thermo Flood Corp Sept 67 (11)	0-2707-2
Indiana Gas and Water Co Inc Jul 67 (11)	0-113-2	Struthers Wells Corp Sept 67 (11)	1-4454-2
Inter-Island Resorts Ltd Sept 67 (11,12,13)	13-24-2	Thorp Finance Corp Sept 67 (7,13)	0-706-2
Interphoto Corp Sept 67 (2,4,7,11,13)	1-4864-2	Traid Corp Sept 67 (9)	0-1173-2
Kroger Co Sept 67 (3)	1-303-2	Trans-Beacon Corp Sept 67 (2,7,13)	1-2342-2
Kropp Forge Co Sept 67 (1,2,4,8,13)	1-3541-2	Uncle John's Restaurants Inc Sept 67 (7,12,13)	0-2201-2
Laboratory for Electronics Inc Sept 67 (11,13)	1-4571-2	VTR Inc Sept 67 (12,13)	1-3393-2
Lapointe Ind Inc Sept 67 (11)	1-5412-2	Ward Foods Inc Sept 67 (12)	1-1042-2
Lipe-Rollway Corp Sept 67 (7,12,13)	0-942-2	Wilshire Oil Co of Texas Sept 67 (2,7,13)	1-4673-2
Logistics Ind Corp Sept 67 (1,2,4,7,13)	1-4930-2	Giant Food Inc Amend 8K for Sept 67 (11)	1-4434-2
Longines Wittnauer Watch Co Inc Sept 67 (1,13)	1-3386-2	Kaneb Pipe Line Co Amend #1 to 8K for Sept 67 (2,7,13)	1-5083-2
Mc Call Corp Sept 67 (12,13)	1-471-2	National Gypsum Co Amend #1 to 8K for Sept 67 (12)	1-2489-2
Modern Homes Construction Co Aug & Jul 67 (12)	0-127-2	Tri-Point Ind Inc Amend #1 to 8K for Aug 67 (13)	0-1477-2

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended October 19, 1967, 42 registration statements were filed, 42 became effective, 2 were withdrawn, and 473 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective October 23: American Potash & Chemical Corp., 2-27067 (40 days) and 2-27166; Amrep Corp., 2-27167; California Interstate Telephone Co., 2-27309 (40 days); H T V Systems Inc., 2-26939 (90 days); IFC Collateral Corp., 2-27094 (40 days); Kimberly-Clark Corp., 2-27452; M. Lowenstein & Sons, Inc., 2-27299; Ohio Water Service Co., 2-27346 (40 days); Pacific Electricord Co., 2-27291 (90 days); Systems Engineering Laboratories, Inc., 2-27436 and 2-27437.

**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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