

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE October 14, 1960

DEVON PLANS CORP. FILES FOR OFFERING. Devon Plans Corporation, 82 Devonshire St., Boston, filed a registration statement (File 2-17171) with the SEC seeking registration of Fidelity Capital Investment Plans, as follows: \$2,000,000 of single payment plans and \$13,000,000 of systematic payment plans. The plans are offered for the accumulation of shares of Fidelity Capital Fund, Inc., by Devon Plans Corporation, which was organized on July 18, 1960, which serves as sponsor and principal distributor. James R. Lewis is president.

SOUTH CENTRAL NATURAL GAS FILES FOR OFFERING. South Central Natural Gas Corp., 1300 Oil & Gas Building, New Orleans, filed a registration statement (File 2-17172) with the SEC on October 13, 1960, seeking registration of 250,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made by Willis E. Burnside and Co., Inc., on a best efforts basis, for which it will receive a selling commission of \$.52½ per share. The underwriter also will receive 6¢ per share as shares are sold to defray expenses of sale; and, in addition, it will receive a five year option to purchase 3 shares at \$3.75 per share for each 10 shares sold to the public, or a total of 75,000 shares. The underwriter's president has purchased 50,000 shares at 1 mill per share from Francis X. Orofino, the company's promoter. Also included in the registration statement are rights granted Orofino as part of his compensation in respect to the acquisition of the company's properties, to purchase 250,000 shares on the same terms and conditions as the underwriter.

The company was organized in June 1960 for the purpose of engaging in the business of producing natural gas and oil. The major portion of its properties are in the undeveloped stage (except for two wells). The properties were obtained from Orofino for and in consideration of \$15,000 and 100,000 shares of stock plus the option above referred to. Certain of the properties were acquired by Orofino from Ragsdale, Pierce and Crain; and Hugh F. Crain became president. Of the net proceeds of the stock sale, \$356,750 will be used for working capital and the balance for rental payments, loan repayments, drilling and related expenditures.

The 100,000 common shares held in equal amounts by Orofino and the underwriter's president constitute 81% of the outstanding stock.

GLOBE SECURITY SYSTEMS PROPOSES OFFERING. Globe Security Systems, Inc., 2011 Walnut St., Philadelphia, filed a registration statement (File 2-17173) with the SEC on October 13, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company's business is that of supplying plant security and uniformed guard and investigatory services to industrial and commercial customers. It has outstanding 302,800 shares of common stock. A portion of the proceeds of the sale of additional stock will be used to discharge current bank indebtedness incurred to provide the company with working capital; and the balance of the proceeds will be added to the general funds of the company and used as working capital. It is intended that a substantial portion thereof will eventually be used for expansion, including the opening of new regional offices and the possible acquisition of smaller protection and investigation organizations and of manufacturers or operators of electronic equipment useful in the plant security business.

The prospectus lists Fred E. Braemer as board chairman and S. Harrison Dogole as president. It was organized in 1957 as a subsidiary of a partnership known as Globe International Detective System, whose partners are officers of the company. In November 1960 the business and good will of the partnership are to be transferred to the company in exchange for the company's stock. The partnership owns 300,000 outstanding shares. An additional 25,000 shares, also included in the registration statement are reserved for issuance under the company's restricted stock option plan for key employees.

WEST PENN ELECTRIC PROXY STATEMENT CLEARED. The SEC has issued an order (Release 35-14296) authorizing The West Penn Electric Company to solicit proxies from its shareholders in connection with a proposal to amend its charter so as to change its name to Allegheny Power System, Inc.

ORDER PERMITS PURCHASE OF NATIONAL AVIATION STOCK. The SEC has issued an exemption order under the Investment Company Act permitting The Adams Express Company and American International Corporation to exercise their subscription rights in respect of a proposed offering of 218,005 shares of stock by National Aviation Corporation. The two companies own an aggregate of 4.80% of the outstanding stock of National Aviation.

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For further details, call WOrth 3-5526

PRODUCERS ASSOCIATION OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Producers Association, Inc., Oklahoma City, Okla.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed September 9, 1960, Producers Association proposed the public offering of investment contracts or profit sharing agreements in units of \$100 each designated "\$250,000 Income Participating Certificates." According to the Commission's suspension order, certain terms and conditions of Regulation A were not complied with, the company's offering circular was false and misleading in respect of certain material facts, and the offering would violate Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations in the offering circular related to the failure to disclose adequately the names and addresses of each underwriter, the amount and nature of the participation of each, the nature of any material relationships between them and the company and the manner in which the offering is to be made; the failure to describe adequately the three property interests listed in the offering circular and their location; the failure to disclose adequately the nature of the securities to be offered; the representation that the issuer's plan of operation eliminates much of the speculative risk in its securities; the failure to disclose adequately the background of the company in the oil royalty business; the failure to disclose adequately the manner in which the company will act as trustee in connection with the investment contracts; and the failure of the financial information to comply with the requirements of the Regulation.

MAKRIS INVESTMENT HEARING POSTPONED. The hearing scheduled for October 19, 1960, in proceedings involving Makris Investment Brokers of Miami Beach, Fla., has been postponed pending Commission consideration of a stipulation of facts submitted by the parties.

SEC COMPLAINT NAMES ATLEE CORP. The SEC Boston Regional Office announced October 11th (LR 1810) the filing of court action (USDC, Mass.) seeking to enjoin Atlee Corporation, Waltham, Mass., from further sale of its stock in violation of the Securities Act registration requirement.

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