

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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FOR RELEASE January 25, 1966

SEC ISSUES STATEMENT ON INTERTEL TV. Statements and photographs appearing in the cover story of the February 1966 issue of Popular Mechanics magazine with respect to the status of flat tube home television are materially inconsistent with facts developed in a continuing investigation by the SEC. Accordingly, for the protection of broker-dealers and investors, the Commission released (on January 24th) the following statement:

"Intertel Corp., the company described in the magazine article, does not have an assembled TV set, nor does it have more than several hand-made experimental TV tubes; and these, it has been reported to the Commission, 'can be considered at present to have no commercial value.' Intertel and other companies are merely engaged in research and development with respect to flat cathode ray tubes.

"The magazine's photographs are of empty mock-up boxes without circuits or a TV tube. A still photo was inserted where a tube would be. Other statements in the text of the article imply a state of development which has not been reached. Testimony given to the Commission indicates that it is not presently possible to determine when, if ever, Intertel TV sets will be placed on the market or what their cost or dimensions would be."

TRADING IN NORAMCO AND BRISTOL DYNAMICS TO RESUME. The SEC also announced January 24 that it had entered orders terminating the suspension of exchange and over-the-counter trading in securities of Noramco, Inc., and Bristol Dynamics, Inc., effective at the close of business on January 24. Accordingly, trading in securities of the two companies may resume at the opening of business on Tuesday, January 25, 1966.

SUMMIT INVESTMENT REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7802) revoking the broker-dealer registration of Summit Investment Corporation, 1500 Massachusetts Ave., N. W., Washington, D. C., for violations of the anti-fraud and other provisions of the Federal securities laws.

According to the decision, the firm sold "various securities" to customers at prices in excess of the prevailing market prices as evidenced by its contemporaneous cost for such securities. In addition, the firm violated the SEC net capital rule and financial-reporting requirements, and failed to amend its application for broker-dealer registration to include certain changes in its officers. The respondent firm did not contest the charges against it.

CRADDOCK-TERRY SHOE FILES EXCHANGE PROPOSAL. Craddock-Terry Shoe Corporation, 3100 Albert Lankford Dr., Lynchburg, Va. 24505, filed a registration statement (File 2-24437) with the SEC on January 21 seeking registration of 52,510 shares of common stock. The stock is to be offered in exchange for all of the 70,014 outstanding capital shares of Midland Shoe Co., at the rate of three company shares for each four shares of Midland. The exchange offer is conditional upon the acceptance thereof by holders of at least 80% of the outstanding stock of Midland.

The company is engaged in the manufacture and sale of shoes. Midland, headquartered in St. Louis, Mo., is engaged in the retail sale of shoes. In addition to indebtedness and preferred stock, the company has outstanding 400,000 common shares, of which management officials own 65,946 common shares. Robert S. Lockridge is president.

DAYLIN PROPOSES DEBENTURE OFFERING. Daylin, Inc., 9606 Santa Monica Blvd., Beverly Hills, Calif. 90210, filed a registration statement (File 2-24438) with the SEC on January 21 seeking registration of \$3,500,000 of convertible subordinated debentures (due 1981). The debentures are to be offered for public sale through underwriters headed by Hayden, Stone Inc., 25 Broad St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Organized under California law in 1960, the company operates retail units in discount department stores. Of the net proceeds of its debenture sale, approximately \$2,200,000 will be used to repay the company's unsecured short-term bank loans incurred primarily to finance the addition of 50 retail units; a portion of the proceeds may be used to repay \$271,000 of 6% subordinated debentures; and the balance will be used in the company's expansion program. In addition to indebtedness, the company has outstanding 807,488 common shares, of which management officials own 39.4%. Amnon Barness is board chairman and Dave Finkle is president.

UNITED UTILITIES FILES STOCK PLAN. United Utilities, Incorporated, Box 11315, Kansas City, Mo. 64112, filed a registration statement (File 2-24439) with the SEC on January 24 seeking registration of 300,000 shares of common stock, to be offered pursuant to its Employees Stock Purchase Plan.

ROOSEVELT NATIONAL INVESTMENT FILES FOR OFFERING. Roosevelt National Investment Company, 514 Ridgely Bldg., Springfield, Ill. 62701, filed a registration statement (File 2-24440) with the SEC on January 24 seeking registration of 1,138,833 shares of Class A stock. The stock is to be offered for public sale (on a best-efforts basis) at \$2 per share through Lincoln Securities Corp., 4101 Massachusetts Ave., Indianapolis, Ind., which will receive a \$.30 per share selling commission.

OVER

Organized under Illinois law in July 1965, the company intends to organize and operate an Illinois life insurance subsidiary, Roosevelt National Life Insurance Company of America. Net proceeds of its stock sale will be used, together with \$200,000 of company funds, to subscribe for 525,000 common shares of the subsidiary at \$4 per share. The company has outstanding 228,963 Class A shares (sold at \$1.80 per share), of which management officials own 53.16%. Gerald D. Oliver (president of the company and of the underwriter) purchased all of the authorized 1,000,000 Class B shares for an aggregate of \$1,000. Only 114,481 of such shares have been issued pursuant to an agreement between the company and Oliver providing that the number of outstanding Class B shares may not exceed 50% of the then issued and outstanding Class A shares.

EMPIRE GAS PROPOSES RIGHTS OFFERING. Empire Gas Corporation, Highway 5 South, Lebanon, Mo. 65536, today filed a registration statement (File 2-24441) with the SEC seeking registration of 60,000 shares of 5 $\frac{1}{2}$ % convertible preferred stock, to be offered for subscription at \$100 per share by common stockholders at the rate of one preferred share for each 3-2/3 common shares held. According to the prospectus, two company shareholders have agreed to purchase a total of 21,760 of the shares; and 8,727 shares are to be offered to three company officials over a 5-year period. Any unsubscribed shares are to be offered for public sale at the subscription price, through Loewi & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. The company has agreed to pay the underwriter a stand-by fee of \$2.50 for each of the remaining 29,513 shares and to allow a discount to the underwriter of an additional \$3 for each share actually sold by Loewi & Co. The record date is to be supplied by amendment.

Organized under Missouri law in 1963, the company is engaged in the retail and wholesale distribution of liquefied petroleum gas ("LP-gas") and LP-gas appliances and storage equipment. Net proceeds of its stock sale will be used to retire some \$3,410,000 of debt and other securities, and the balance will be added to general funds. It is expected that all or part of such balance will be used to purchase assets of additional LP-gas distributors. In addition to indebtedness and preferred stock, the company has outstanding 220,000 common shares, of which management officials own 17.5%. Robert W. Plaster is president.

EXAMINER'S RULING BARS FOUR. SEC Hearing Examiner Sidney Gross has filed an initial decision in which he concludes that, because of "flagrant fraudulent practices," the following should be barred from association with broker-dealer firms: Thomas F. Quinn, president of Thomas, Williams & Lee, Inc., of 80 Wall St., New York City, and three salesmen of the said firm, Norman B. Babat, Martin N. Fleischman, and Jack Greenberg. The broker-dealer registration of the firm, which previously had been enjoined by Federal and state court orders, was withdrawn in January 1965; and three other salesmen were barred by prior orders of the Commission, either on the basis of stipulations or default.

According to the Examiner's decision, the firm and its salesmen in 1963 engaged in the offer and sale of securities of Kent Industries, Inc., in violation of the anti-fraud provisions of the Federal securities laws. "In view of the flagrant fraudulent practices demonstrated by the record," he concluded, "and the reckless and deliberate abandonment by these respondents of their duty toward their customers," the four individual respondents should be barred from being associated with a broker or dealer. Under Commission rules, they may seek Commission review of the decision within fifteen days.

Virtually the entire list of Kent's assets, the Examiner found, which were presented on its balance sheet at a valuation of over \$2,250,000, "constituted, in fact, little more than a chimera." Its balance sheet reflected an accumulated deficit of \$390,000; and it operated at a deficit of about \$20,000 a year from the summer of 1962 through 1963. During that period, Kent's total receipts amounted to \$4,000. Nearly 230,000 shares were sold by the firm and its salesmen, at prices ranging between \$1 and \$2 per share, through various "boiler-room sales techniques," including oral fraudulent representations promising quick profits.

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 caption of the several items of the form was included in the January 3 News Digest.

Presidential Realty Corp. Dec 65 (2,7,11,13)	1-4503-2	Rodney Metals, Inc. Dec 65 (4,7,13)	1-4567-2
Savannah Sugar Refining Corp. Dec 65 (12,13)	0-922-2	United Utilities Inc. Dec 65 (11)	1-4721-2
Scripto, Inc. Dec 65 (4,7,13)	0-992-2	Hilton Credit Corp. Dec 65 (1,3)	0-878-2
Servo Corp. of America Nov 65 (9)	1-3925-2	Hilton Hotels Corp. Dec 65 (1)	1-3427-2
Shattuck Denn Mining Corp. Dec 65 (11)	1-948-2	Ravens Metal Products Inc. Dec 65 (2,13)	0-1709-2
Watkins-Johnson Co. Dec 65 (2)	0-977-2	Richardson-Merrell Inc. Dec 65 (3)	1-1029-2
Leeds Shoes, Inc. Dec 65 (7,13)	2-23528-2	Screen Gems Inc. Dec 65 (4,7,13)	1-4481-2
Pacific Lighting Service & Supply Co. Dec 65 (11,12,13)	2-17024-2	Seismograph Service Corp. Dec 65 (7,11)	0-852-2
Paulsboro Chemical Industries, Inc. Dec 65 (9)	0-1861-2	Studebaker Corp. Dec 65 (8)	1-1045-2
Reynolds Metals Co. Dec 65 (3,12,13)	1-1430-2	Western Air Lines Inc. Dec 65 (12,13)	1-1521-2
		Wilson Brothers Dec 65 (7,8,13)	1-3329-2

CONTINUED

Coro, Inc. Dec 65 (3)	1-1609-2	Shamrock Oil & Gas Corp.	
Lee Way Motor Freight Inc. Dec 65 (2,13)	0-747-2	Dec 65 (7,13)	1-2258-2
Puerto Rico Telephone Co. Dec 65 (3)	1-3929-2	Simon Stores, Inc. Dec 65 (12)	0-1635-2
Reed Roller Bit, Co. Dec 65 (2,13)	1-1974-2	Southern Union Gas Co. (Del) Dec 65 (7,13)	0-1103-2
Sangamo Electric Co. Dec 65 (13)	1-4156-2	Storer Broadcasting Co Dec 65 (10,11,12)	1-3872-2
Seilon, Inc. Dec 65 (3)	1-1497-2	American Bank Note Co Dec 65 (8,13)	1-581-2
United States Consumer Products Dec 65 (1)	1-5003-2	Pacific Airmotive Corp. Dec 65 (1)	1-5121-2
Vendo Co. Dec 65 (11,13)	1-4267-2	Pantasote Co. Dec 65 (7,9,12,13)	1-4678-2
Western Kentucky Gas Co Dec 65 (7,8,11,13)	0-136-2	Public Service Elec & Gas Co. Dec 65 (12)	1-973-2
Woodward & Lothrop Inc. Dec 65 (4,7,13)	1-1384-2	Rockwell-Standard Corp. (Del) Dec 65 (7,8,12)	1-4944-2
Park Electrochemical Corp. Dec 65 (4,7,13)	1-4415-2	Sola Basic Industries, Inc. Dec 65 (8,13)	1-343-2
Pennsylvania Power Co Dec 65 (11,13)	1-3491-2	Sun Chemical Corp. Dec 65 (13)	1-804-2
Alan Wood Steel Co Dec 65 (4,7,8,13)	1-3999-2	Sundstrand Corp. Dec 65 (7,12,13)	1-2425-2
C. I. T. Financial Corp. Dec 65 (13)	1-1861-2	Triangle Conduit & Cable Co Inc Dec 65 (13)	1-4088-2
Cubic Corp. Dec 65 (1)	1-4227-2	Berns Air King Corp. Dec 65 (12)	2-21239-2
First Colony Life Insurance Co., Inc. Dec 65 (2,7,9,11,13)	2-12650-2	Edison Bros. Stores, Inc. Dec 65 (13)	1-1394-2
Nashua Corp. Dec 65 (2,4,7,13)	0-1023-2	Miami Extruders, Inc. Dec 65 (12)	1-4263-2
Ravtheon Co. Dec 65 (12)	1-2833-2	Pauley Petroleum Inc. Dec 65 (11)	0-52-2
Sun Oil Co Dec 65 (7)	1-2223-2	Spartan Corp. Dec 65 (12)	1-1000-2
Susquehanna Corp. Dec 65 (2,3,11)	0-932-2	Textron, Inc. Dec 65 (11)	1-2684-2
Texaco Inc. Dec 65 (13)	1-27-2	Valley Metallurgical Processing Co., Inc. Sept 65 (11,13)	1-5133-2
Uncle John's Restaurants, Inc. Dec 65 (7,11,13)	2-22799-2	Empire Life Insurance Co of Ohio Nov 65 (7)	2-22930-2
Brunswick Corp. Dec 65 (10,13)	1-1043-2	General Bronze Corp. Dec 65 (7,13)	1-142-2
Combustion Engineering Inc. Dec 65 (2,13)	1-117-2	Restaurant Associates, Inc. Dec 65 (11,13)	1-4536-2
International Utilities Corp. Dec 65 (7)	1-117-2	Rusco Industries, Inc. (Del) Dec 65 (12)	1-5087-2
Revlon, Inc. Dec 65 (4,11,13)	1-4020-2	Russell Stover Cardies, Inc. Dec 65 (11,12,13)	0-40-2
Roosevelt Raceway, Inc. Dec 65 (12)	1-3966-2	Sage Oil Co. Dec 65 (2,7)	1-340-2
Soss Mfg. Co. Dec 65 (7,13)	1-5034-2	James Talcott, Inc. Dec 65 (11,13)	1-2592-2
Southern Pacific Co. (Del) Dec 65 (7)	1-3441-2	Duplan Corp. Dec 65 (1,13)	1-441-2
Valley Mould and Iron Corp. Dec 65 (7,11,13)	1-5102-2	Electro-Voice Inc. Dec 65 (2,13)	1-4655-2
Waddell & Reed, Inc. Dec 65 (3,11)	0-42-2	Schenuit Rubber Co. Dec 65 (4,11,12,13)	0-91-2
Weingarten Markets Realty Co Dec 65 (7)	2-14373-2	South Carolina Elec & Gas Co Dec 65 (7,12,13)	1-3375-2
Walter Kidde & Co Inc. Dec 65 (2,14)	1-3226-2	Thomas & Betts Co. Dec 65 (4,11,12,13)	1-4682-2
Thrift Plan of Reda Pump Co Dec 65 (7)	2-13744-2	Universal Food Products, Inc. Dec 65 (1)	0-1336-2
Planning Research Corp. Dec 65 (12)	1-4941-2	Altramil Corp. (Del) Dec 65 (11)	1-4834-2
Ryerson & Haynes Inc. Dec 65 (7)	1-2740-2	California Jockey Club Dec 65 (12)	0-1288-2

Pennsylvania Electric Co. Dec 65 (8,11,13)	1-3522-2	Foremost Dairies, Inc. Amend #1 to 8K for Nov 65 (Item 13)	1-3884-2
Quaker State Oil Refining Corp. Dec 65 (8)	1-2677-2	Lehigh Portland Cement Co Amend #1 to 8K for Oct 65 (Item 8)	1-31-2
Superior Electric Co. Dec 65 (7)	2-16270-2	Medco, Inc Dec. 1965 (7,13)	1-4724-2
Tejon Ranch Co. Dec 65 (4,11,13)	0-459-2	General Electric Co Dec. 1965 (3)	1-35-2
APL Corp. Dec 65 (2,13)	1-4285-2	Kaiser Cement & Gypsum Co Dec. 1965 (8)	1-4598-2
Babcock & Wilcox Co. Dec 65 (2,13)	1-3669-2	Max Factor & Co Dec. 1965 (7,10)	1-3875-2
Louis Allis Co. Dec 65 (4,7,13)	0-361-2	A. S. Beck Shoe Corp Dec. 1965 (6,9)	1-3267-2
Revday Industries, Inc. Dec 65 (8)	1-4697-2	General Finance Corp Dec. 1965 (7,8,13)	1-3868-2
Rohr Corp. Dec 65 (4,7,10,11,12,13)	1-3801-2	A. G. Gilbert Co Dec. 1965 (7,8,13)	1-254-2
St. Louis Shipbuilding- Federal Barge Inc. Dec 65 (2,13)	0-891-2	Lytton Financial Corp Dec. 1965 (8,12)	1-5042-2
Shulton, Inc. Dec 65 (1)	0-998-2	Intl. Mining Corp Dec. 1965 (7,13)	1-2761-2
Sierra Electric Corp. Dec 65 (8)	2-16355-2	Intl. Salt Co Dec. 1965 (3)	1-643-2
Simonds Saw & Steel Co. Dec 65 (1)	1-2976-2	Monogram Ind, Inc Dec. 1965 (12)	1-4185-2
Southern Co. Dec 65 (11,13)	1-3526-2	The Goldfield Corp Dec. 1965 (12,13)	1-2618-2
Standard Pressed Steel Co Dec 65 (12)	1-4416-2	Intl. Tel & Tel Corp Dec. 1965 (3)	1-1558-2
Fotochrome, Inc. Amend #2 to 8K For Dec 65 (2)	1-4556-2	Vendo Co Oct. 1965 (3)	1-4267-2
Rowland Products, Inc. Amend #1 to 8K for Dec 65 (4,13)	1-4402-2	Gulf American Land Corp Dec. 1965 (2,11,12,13)	1-4470-2
Seagrave Corp(Del) Amend #1 to 8K for Sept 65 (4)	1-5091-2	Old Town Corp Dec. 1965 (6)	1-3601-2
Pubco Petroleum Corp. Amend #1 to 8K for July 65 (?)	0-879-2	Litton Ind, Inc Dec. 1965 (4,7,8,11,12,13)	1-3998-2
Suburban Propane Gas Corp. Amend #1 to 8K for Nov 65 (Item 4)	1-4401-2	Weingarten Markets Realty Co Oct. 1965 (7)	2-14373-2
H. K. Porter Co., Inc. (Del) Amend #1 to 8K for Aug 65 (Item 13)	1-4157-2	Holiday Inns of America, Inc Dec. 1965 (12,13)	1-4804-2

SECURITIES ACT REGISTRATIONS. Effective January 24: Becton, Dickinson and Co., 2-24296; General Telephone Co. of Wisconsin, 2-24399; Rohr Corp., 2-24274; Storer Broadcasting Co., 2-24314 (Mar 7); Wheeling Steel Corp., 2-24377.

Effective January 25: Hooker Chemical Corp., 2-24400 (40 days); Murphy Pacific Marine Salvage Co., 2-24226 (Apr 25); National Shrimp Processors, Inc., 2-23908 (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.