

# 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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**ISRAEL HOTELS INTERNATIONAL FILES FOR OFFERING AND SECONDARY.** Israel Hotels International, Inc., 1212 Avenue of the Americas, New York 10036, filed a registration statement (File 2-25207) with the SEC on June 29 seeking registration of \$2,305,000 of 6 $\frac{1}{2}$ % debentures (due 1980), 23,050 shares of common stock, and option warrants to purchase 46,100 common shares. Of the debentures, \$800,000 have been reserved for issuance to the Government of Israel upon conversion of a like amount of outstanding interim loans, and the balance is to be offered for public sale at 100% of the principal amount. The stock is to be offered for public sale at \$5 per share; each share is to be accompanied by a warrant (expiring in 1968) to purchase two common shares at \$5 per share. The offering is to be made on a "best efforts" basis through American-Israel Basic Economy Corporation (AMIBEC), and Amibec International, Ltd., which will receive 8% of the proceeds as selling commission and compensation for certain services.

The registration statement also includes 14,527 outstanding shares of common stock, which are presently owned by Amibec International and are to be offered for public sale at \$5 per share.

Organized under Delaware law in 1961 through the efforts of AMIBEC, the company has constructed a hotel in Tel-Aviv, Israel, which is leased to Hilton Hotels International, Inc., and known as the "Tel-Aviv Hilton". Net proceeds of this financing will be applied to the cost of the hotel project or may be used to reduce loans from the Government of Israel. In addition to indebtedness, the company has outstanding 115,248 common shares. Jose Kalach is board chairman.

**DESERT DEVELOPMENT FILES FINANCING PROPOSAL.** Desert Development Corporation, 250 W. 57th St., New York 10019, filed a registration statement (File 2-25230) with the SEC on June 30 seeking registration of 38,880 shares of common stock and 3,240 shares of 6% convertible cumulative preferred stock (\$100 par). The stock is to be offered for public sale in units consisting of 9 preferred and 108 common shares, and at \$1,008 per unit. The offering is to be made through company officials.

Organized under New York law in 1962, the company is engaged in the business of growing and marketing a fibrous plant ("Juncus Maritimus") in the Negev Desert in Israel without using fresh water. The plant is to be used as a principal ingredient in paper and for other commercial uses. The prospectus states that the company's activities have not been conducted on a commercial scale. The company anticipates that the proceeds of its stock sale, combined with certain arrangements for land and water with the State of Israel, will enable it to expand its operations to a commercial scale. In addition to indebtedness, it has outstanding 756 preferred and 59,072 common shares, of which management officials own 42% and 80.8%, respectively. Certain persons were issued a total of 19,000 common shares for services rendered. Rudolph J. Boyko (president) owns 27% of the outstanding stock.

**ATOKA PROPOSES OFFERING.** Atoka, Inc., North Ave. C and Oak, Olney, Tex., filed a registration statement (File 2-25243) with the SEC on July 1 seeking registration of 320 units of interests in its Plan No. Four. The units are to be offered for sale at \$2,500 per unit through Craig-Hallum, Inc., 133 S. Seventh St., Minneapolis, Minn. 55402, which will receive a \$150-per-unit commission. Craig-Hallum has agreed to purchase a minimum of 100 plan units, and the balance of the units are to be marketed on a "best efforts" basis.

Organized under Texas law in 1963, the company is engaged in the acquisition and development of oil and gas properties. It is to be the managing partner of the plan, whose objective is to acquire producing properties on behalf of the general partners. Roy L. Strong is president of the company.

**ARCOA INC. PROPOSES OFFERING.** Arcoa Inc., 1006 S. E. Grand Ave., Portland, Ore., filed a registration statement (File 2-25249) with the SEC on July 5 seeking registration of \$8,000,000 of fleet owner lease contracts, to be offered for public sale. The contracts provide for the operation in the U-Haul Rental System of fleets of automobile-type rental trailers which are marketed under the name "U-Haul" and are rented to the public for round trips and one-way trips in the United States and Canada.

Arcoa performs certain administrative, technical and advisory services for the fleet owners, rental companies and dealers of the U-Haul Rental System. For such services it receives 10% of the gross rental income of the System. All of its capital stock is owned by the family of L. S. Shoen, president.

**MEDI-PLEX FILES FOR OFFERING AND SECONDARY.** Medi-Plex, Inc., 1001 Dickerson Dr., Jasper, Tex. 75951, filed a registration statement (File 2-25251) with the SEC on July 6 seeking registration of 105,000 shares of common stock, to be offered for public sale at \$5 per share. Of this stock, 100,000 shares are to be offered for public sale by the company and 5,000 shares (being outstanding stock) by the present holder thereof. The offering is to be made on a best efforts basis through Arnold, Wilkens & Co. Inc., 50 Broadway, New York, which will receive a \$.50-per-share selling commission.

Organized under Texas law in 1966, the company has acquired all of the outstanding stock of Hardy-Hancock Hospital, Inc. (Hardy-Hancock), and Jasper County-Community Memorial Hospital Foundation, Inc. (Jasper Memorial). It is the successor to a hospital business in Jasper, Tex. Of the net proceeds of its sale of additional stock, approximately \$56,000 will be used to retire certain indebtedness; about \$15,000 will be expended for new equipment and furniture; \$10,000 will be used to improve the parking area at the present facility; and \$52,000

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will be added to working capital. The balance will be used in connection with the company's long-range program of expansion and development. In addition to indebtedness, the company has outstanding 110,000 common shares, which were issued for the predecessor business. Management officials own 78.82% of the outstanding stock. The selling stockholder is John G. O'Neill, who presently owns 6,500 shares. Joe Wesley Dickerson is president of the company.

**SIX STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

American Seating Company, 901 Broadway, N. W., Grand Rapids, Mich. 49502 (File 2-25241) (136,890 shares)  
 Consolidated Electronics Industries Corp., 100 E. 42nd St., New York 10017 (File 2-25248) (379,411 shares)  
 White Consolidated Industries, Inc., 11770 Berea Rd., Cleveland, Ohio 44111 (File 2-25250) (140,000 shares)  
 Oxford Paper Company, 277 Park Ave., New York 10017 (File 2-25252) (379,250 shares)  
 Spartans Industries, Inc., 1 W. 34th St., New York 10001 (File 2-25253) (226,802 shares)  
 Will Ross, Inc., 4285 N. Port Washington Rd., Milwaukee, Wisc. 53212 (File 2-25254) (35,000 shares)

**REALTY EQUITIES OF NEW YORK FILES FOR SECONDARY.** Realty Equities Corporation of New York, Time & Life Bldg., New York 10020, filed a registration statement (File 2-25231) with the SEC on June 30 seeking registration of \$2,060,500 of outstanding 6% subordinated debentures (due 1980) and 23,850 outstanding shares of common stock. The present holder thereof may sell the securities on the American Stock Exchange at prices current at the time of sale (\$10 per common share maximum\*). The registration statement also includes 378,728 shares of common stock, which are issuable upon the exercise of outstanding common stock purchase warrants (at prices ranging from \$6.77 to \$7.96 per share).

The company is engaged in the real estate business. In addition to indebtedness and preferred stock, it has outstanding 558,806 common shares, of which management officials own about 31% (including 17% owned by Morris Karp, president). Paramount Enterprises, Inc., a wholly-owned subsidiary of Barrington Industries, Inc., is the selling securityholder. It has acquired or will acquire the debentures and 23,850 of the shares being registered in exchange for 119,250 shares of the company's \$20 par 6% cumulative preferred stock. A total of 132,500 shares of the preferred stock was issued to the selling securityholder in 1964 (together with certain other considerations) in exchange for substantially all of the real estate properties owned or operated by Barrington.

**PENNZOIL RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15523) authorizing certain transactions by Pennzoil Company, Houston, Tex., and four of its wholly-owned subsidiaries. It is proposed that Pennzoil make open-account advances during 1966 to Pennzoil del Caribe, S. A., and Pennzoil de Quebec Limitee in amounts not to exceed \$400,000 and \$250,000, respectively. The subsidiaries will use the proceeds thereof in their current oil and gas exploration and development programs. It is also proposed that Kenreco, Inc., which is inactive, be dissolved and its net assets of approximately \$24,500 be distributed to Pennzoil, and that Pennzoil of Libya, Inc., declare a dividend in the amount of \$120,000 out of capital surplus and pay such amount to Pennzoil.

**CONTINENTAL VENDING MACHINE TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, July 11-20, 1966, inclusive.

**COLUMBIA GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15522) authorizing Columbia Gas of Ohio, Inc., a gas-utility subsidiary of The Columbia Gas System, Inc., to acquire the business of The Delaware Gas Co., a non-associate gas-utility company, in exchange for 55,000 shares of common stock of the parent. To enable the subsidiary to make the proposed acquisition, it will issue shares of its stock to the parent in exchange for stock of the parent.

**NUVEEN TAX-EXEMPT BOND FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4641) exempting Nuveen Tax-Exempt Bond Fund, Series 12, from the \$100,000 minimum net capital provisions of the Act. The applicant is one of a series of funds, named "Nuveen Tax-Exempt Bond Fund", organized pursuant to a Trust Indenture and Agreement between John Nuveen & Co. as sponsor and United States Trust Co. of New York as trustee. The sponsor will deposit with the trustee \$7,500,000 principal amount of municipal bonds and will receive in exchange therefor certificates for 75,000 units of undivided interest in the trust. It is proposed to offer such units for public sale and a registration statement under the Securities Act of 1933 has been filed.

**ORAL ARGUMENT, COMING WEEK.** July 12 - 3:00 P.M. - Costello, Russotto & Co., et al.

**SECURITIES ACT REGISTRATIONS.** Effective July 7: Alloys Unlimited, Inc., 2-25060 (Aug 16); Essex Chemical Corp., 2-24695 (Aug 16); Nuclear Corp. of America, 2-24802 (40 days); Pioneer Plastics Corp., 2-25007 (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.